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VOL. 2

JULY, 1909

No. 1 -

### AMERICAN INSTITUTE OF BANKING SECTION

**T**HE seventh annual convention of the American Institute of Banking was held in the City of Seattle, Wash., June 21st, 22d and 23d, and will go down in history as the best and most successful convention held thus far. A special train carrying the Middle West bankers, and leaving Chicago on Wednesday night, June 16th, carried with it, in addition to the bankers in that section, those from New York City.

The first stop of this special train was made at St. Paul, the day of Thursday being spent in St. Paul and Minneapolis. The rapid pace of the Chicago Committee was thoroughly exemplified by the fact that the train arrived at St. Paul one and one-half hours ahead of time. St. Paul Chapter was present to receive the visitors, and the round of pleasure began with a trolley ride throughout the City of St. Paul, ending with an elaborate luncheon at the Town and Country Club. Then the visitors were taken in charge by the Minneapolis Chapter, giving them a trolley ride to Minnehaha Falls, through the City of Minneapolis and to Lake Minnetonka, where an elaborate supper was served at the Tonka Bay Hotel, then back to the City of Minneapolis, where the train was boarded at ten o'clock for the Far Western trip. Too much credit cannot be given the Minneapolis and St. Paul Chapters for the very elaborate and hospitable entertainment furnished those of the special train during their stay in the Twin Cities.

The trip across the country was most complete and comfortable in every particular; the best equipment and fine train service; two hours' stop was made at Butte, Mont., two hours also at Spokane, and at the latter city the visitors being entertained by the Spokane Chamber of Commerce. Good-fellowship reigned throughout the tour, and the arrival was made at Seattle about midnight of Sunday, June 20th. Considering the long distances that many of the delegates were obliged to come, the attendance was unusually good. The sessions of the convention marked, as in the past, promptness in attendance (about every delegate being present at every session), precision in the handling of business and excellence of addresses and debates.

The program embodied the following, Franklin L. Johnson, President, presiding:

Address of Welcome, Honorable John F. Miller, Mayor of Seattle.

Greetings from the American Bankers' Association, Colonel Fred. E. Farnsworth, New York City.

Address—"The Call of the East," Rev. B. L. Whitman, Seattle; former President of the Columbia College, Washington, D. C.

Paper—"Government Bonds and National Bank Notes," W. S. Evans, Philadelphia, Pa.

Paper—"Tellers' Troubles," Kenneth A. Millican, Oakland, Cal.

Address—"Banking and Currency Situation in the United States," Professor A. C. Miller, University of California.

Paper—"School Savings Accounts," G. H. Richards, Minneapolis.

Paper—"Travelers' Cheques and Money Orders of the American Bankers' Association," A. Waller Morton, New York City.

Paper—"Over and Short," Karl Hubert, Seattle.

The following-named officers of the Institute were duly elected for the ensuing year: President, Newton D. Alling, of New York; Vice-President, George A. Jackson, of Chicago; Secretary, H. G. Proctor, of Richmond, Va.; Treasurer, L. H. P. Moss, of New Orleans. Executive Councilmen for three years: Frank M. Cerini, of Oakland; W. S. Evans, of Philadelphia; E. C. Phinney, of Minneapolis. Executive Councilmen for one year to succeed George A. Jackson, elected Vice-President, D. J. Lyons, of Cincinnati. The Fellows reported that Messrs. Carroll Pierce, of Washington, and F. L. Underwood,



of Chattanooga, had been elected members of the Executive Council from the Fellowship Class. Mr. Ralph C. Wilson, of the Bankers' National Bank, Chicago, was nominated as a member of the Executive Council of the American Bankers' Association for the next term.

The Seattle Chapter fairly outdid themselves in the entertainment features. They were ever present to look out for the wants of the delegates and visitors within their gates, and there was an individual attention which is strongly marked in this Northwest and is seldom found so spontaneous in other parts of the country. The annual banquet was held at the Hotel Washington on Wednesday evening, June 23d, with a fine program and very interesting and attractive addresses. The other features of the entertainment were a theater party, automobile ride and luncheon at the Country Club for the ladies, trolley ride for all of the visitors, ending at the Exposition grounds, where an afternoon and evening were spent with much entertainment provided, ending with a dinner in the Oriental Café.

No one questioned the wisdom of the Institute in deciding to visit the Northwest at this time. It was an education to the young men and they all return better citizens, and with a larger opinion of the greatness of their country.

### TRUST COMPANY SECTION

After the adjournment of the very successful meeting of the Executive Committee, held at Briarcliff Lodge, in May, the officers of this Section started preparing the programme for the annual convention, taking up the many valuable suggestions made by members and submitted at that meeting.

Mr. Oliver C. Fuller, President of the Wisconsin Trust Company, Milwaukee, Wis., and Chairman of the Executive Committee, upon whom devolves the major part of the preparation of the programme, has made most excellent progress in this task, and although full details have not yet been entirely worked out, enough has been settled to assure a most interesting and instructive meeting.

Mr. Edwin A. Potter, President American Trust & Savings Bank, Chicago, and President of this Section in 1904-5, will deliver the Address of Welcome on behalf of the Chicago Trust Companies.

The Hon. James S. Sherman, Vice-President of the United States, has tentatively agreed to address the Section, and it is confidently expected that he will be present, the only doubt being in the duration of the present session of Congress. Mr. Sherman, in addition to his present high office, is President of the Utica Trust & Deposit Company of Utica, N. Y., and anything he may have to say will undoubtedly be of great interest to members.

Mr. Edw. T. Perine, President of the Audit Company of New York, will read a paper on "Trust Company Resources and Revenues," a subject upon which he is an acknowledged authority.

Undoubtedly a most interesting paper will be that to be read by Mr. Daniel S. Remsen of the New York Bar on "Post Mortem Conservation of Wealth."

At the afternoon session a number of interesting subjects will first be presented in brief addresses, and members of the Section are urged to freely discuss and argue them. It is expected to have the complete programme in the hands of members at least thirty days before the meeting, and it is hoped that every member will arrange to be represented at the Convention and to take part in the proceedings.

### SAVINGS BANK SECTION

The total membership of the Savings Bank Section this day is 1,608, as against 1,523 at the date of the last convention in Denver. Secretary Hanhart is very anxious to go before the Chicago convention with a membership of 1,800, and strongly urges all members of the Section to use their best endeavors to secure applications for membership from all neighbor savings banks, and also from all commercial and national banks and trust companies who have savings departments.

Many orders are still being received for the book of Printed Forms issued by the Committee on Printed Forms, over eighteen of these books having been sold during the past three months; at this rate, the third edition will soon be exhausted and a fourth edition will have to be issued.



The Committee on Savings Bank Laws is energetically working on the lines laid down at its last meeting, and it is expected that General Counsel Paton will be prepared to submit to the next convention a tentative form of Savings Law designed to segregate and protect all savings in states where such law is needed.

The Chairman of the Committee on Postal Savings Banks has addressed fifteen state conventions of bankers urging all members, in his usual earnest and eloquent way, to combine with all citizens to defeat the proposed Postal Savings legislation, or else to have the matter referred to the National Monetary Commission. The statistical report printed in the last issue of the JOURNAL has been widely copied and commented upon by influential newspapers in many states, and Secretary Hanhart is in correspondence with a great many state officials and bankers endeavoring to complete, and where necessary correct, the tentative figures published. Already many supplementary reports have been received and it is likely that his next report will bring up the total of banked savings deposits in the United States to nearly \$6,000,000,000. Attention is drawn to the fact that the Comptroller of the Currency's report of the 27th of November, 1908, gave \$331,562,680 of savings as deposited in the savings departments of national banks; his subsequent report of the 28th of April, 1909, gives such deposits as \$378,026,770, showing the great increase of about \$47,000,000 in five months.

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### CLEARING HOUSE SECTION

In order that the Secretary may have in his office a complete record as to how the system of letters and numbers on drafts and checks is progressing in the twenty-five cities originally selected for the inauguration of the system, he recently communicated with each of the banks in those cities asking that they advise him whether or not they have as yet adopted the plan formulated by the Section.

When the proposition was first made to the banks some of them had a large supply of their regular checks and drafts on hand, but stated that when this supply was exhausted they would order new ones to conform with the necessary requirements to put in vogue the new system.

From the replies received to date, very many of the banks have adopted the plan and it is proving eminently satisfactory, and the number is increasing daily as the banks realize the great saving in clerical work by adopting the new method.

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### New State Bankers' Association

The bankers of Utah organized a State Bankers' Association on June 16th at Salt Lake City, one hundred representative bankers from all parts of the State being in attendance and they were royally entertained as guests of the Clearing House Association.

Permanent officers were elected and plans formulated and adopted for future work. The officers elected for the current year will be found on page 27 of the JOURNAL.

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### Convention New York Bankers' Association—Change of Place

This convention was to have been held at the Fort William Henry Hotel at Lake George, July 15th and 16th, but owing to the hotel being recently destroyed by fire, the convention will be held at the United States Hotel, Saratoga, on the same dates.

The original program will be carried out with the exception of some changes in the entertainment features.

A special train will leave the Grand Central Depot, New York City, on Wednesday, July 14th, at 2.45 o'clock in the afternoon, stopping at various points en route to take up delegates.



THE offices of the Association, being so centrally located in the financial district—corner of Nassau and Pine Streets—make a very convenient place for members and their friends to meet when in New York. One of the large offices has been fitted up as a library and reading room, in which are kept on file the financial papers of the country and other current literature. Every facility has been provided for correspondence, and the Association's stenographers are at the service of the members, who can have their mail and telegrams sent in care of the office. The Association telephone is also at their service when they wish to communicate with the banks or their friends. The members are cordially invited to avail themselves of these privileges, and it is very much hoped they will do so.

The following visitors registered during the month of June:

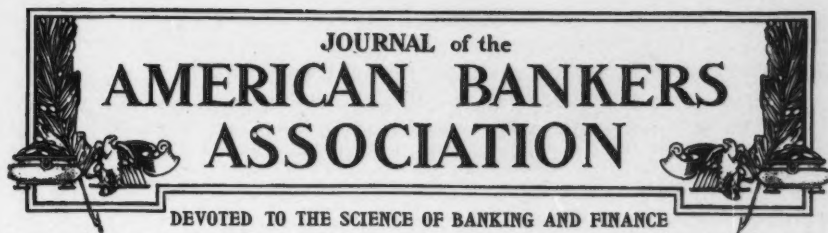
CHARLES S. MOTT, Cashier Bank of Northport, Northport, N. Y.  
 L. W. WIGGIN, Secretary Columbia Trust Company, New York, N. Y.  
 JOHN PERRIN, President American National Bank, Indianapolis, Ind.  
 H. P. MCINTOSH, President Guardian Savings & Trust Co., Cleveland, Ohio.  
 WM. W. RUSSELL, Cashier Nat. Bk. of White River Junction, White River Junction, Vt.  
 GEORGE H. RUSSEL, President People's State Bank, Detroit, Mich.  
 ROGER NEWHALL, Cashier East Side Bank of Portland, Portland, Ore.  
 W. C. CORNWELL, of J. S. Bache & Co., Bankers, New York, N. Y.  
 COL. ROBERT J. LOWRY, President Lowry National Bank, Atlanta, Ga.  
 WILLIAM A. WILCOX, Trust Officer Scranton Trust Co., Scranton, Pa.  
 CHARLES R. DUNN, Treasurer Union Trust Company, Detroit, Mich.  
 GEORGE B. GIBBONS, Representing Adams & Co., Boston, Mass.  
 FRED G. CASE, Second Vice-President Marquette County Savings Bank, Marquette, Mich.  
 SAMUEL J. HENRY, Asst. Treasurer National Savings & Trust Co., Washington, D. C.  
 J. P. HULMKEN, with National Bank of Savannah, Savannah, Ga.  
 T. C. SHERWOOD, Ex-Banking Commissioner, Detroit, Mich.  
 J. G. ZACHRY, of J. G. Zachry & Co., Bankers, New York, N. Y.  
 C. L. FARNSWORTH, Eustis, Fla.  
 E. M. TERRY, Acting Secretary Uniform Ocean Bill of Lading Association, Baltimore, Md.  
 JAMES P. HELM, General Counsel Kentucky Bankers' Association, Louisville, Ky.  
 R. F. BOPES, President American National Bank, Lynchburg, Va.  
 C. A. CLARK, Treasurer Mercantile Trust Company, Jersey City, N. J.  
 COL. F. H. FRIES, President Wachovia Loan & Trust Company, Winston-Salem, N. C.

### American Bankers' Association Travelers' Cheques

Tourists from all parts of the United States are using American Bankers' Association Travelers' Cheques at the Alaska-Yukon Exposition at Seattle. Concessionaires throughout the Exposition grounds are accepting the cheques in payment of bills, and they are giving the greatest possible satisfaction to people carrying them. All orders from bankers for supplies of cheques are being hurried forward as rapidly as possible, but because of the large number received daily it requires from five days to a week to fill them. Many bankers are ordering by telegraph, hoping to receive the cheques the following day. Where they are needed for special customers, cheques of one of the New York banks are forwarded to take care of the order while the name of the bank desiring to issue them is being printed on a supply. While this system prevents bankers from losing sales, yet they are urged to place their orders for cheques as long before they are required as they conveniently can.

It having become apparent through recent developments in the protective work of the Association that bank forgers are securing sample checks from engraving, printing and stationery houses, and utilizing these samples for reproduction of checks and drafts, houses which furnish checks and drafts should not distribute samples promiscuously and banks should discourage this custom by notifying the firm from whom they secure their supply.





VOL. 2

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No. 1

FRED. E. FARNSWORTH, PUBLISHER

Secretary American Bankers' Association

THOMAS B. PATON, EDITOR

General Counsel American Bankers' Association

W. W. WAINE, ASSOCIATE EDITOR

### THE JOURNAL

**W**ITH this number the JOURNAL begins its second year. During the past twelve months hundreds of letters have been received from members expressing satisfaction with the publication and the great value it has been to them; in fact, the universal voice has been one of appreciation. The best efforts of those in charge will always be devoted to make the JOURNAL of continued usefulness to the entire membership.

### THE NEBRASKA BANK GUARANTEE LAW

Our readers will be interested in the following advice received from Mr. S. H. Burnham, Lincoln, Neb., under date of June 30:

"The Bank Guarantee suit has been tried in the United States District Court in this city before judges Van Devanter and Munger, and a restraining order has been granted this morning which prevents the law from going into effect in any way. Briefs will now be filed, and the decree and opinion of the Court will be rendered in due time, probably within the next ninety days, after which the case will go to the United States Supreme Court in Washington, and very likely arrangements made to try it in connection with the Oklahoma case, which is similar in many respects."

Bankers in Nebraska express themselves as confident of a favorable decision upon the Bank Guarantee proposition.



### Credit Blanks

At the 1899 Convention in Cleveland, Mr. James G. Cannon, of New York, made an address on "Uniform Statement Blanks and Credit Department Methods." In this connection he submitted special blanks which had been prepared for use in the credit department of banks. These forms begin with the opening of an account and show the various stages of its progress during the application for discount, until the loan is finally placed to the borrower's credit. They are divided into three departments designated as A, B and C. Class "A" is for the use of banks with a capital and surplus of \$500,000 and over; Class "B," with a capital and surplus of \$100,000 to \$500,000, and Class "C," \$25,000 to \$100,000.

We have a quantity of samples of these credit blanks in the Association offices and the Secretary will be pleased to forward samples to any members of the Association who desire them.

### Documents for Distribution

The Association has on hand quite a quantity of printed matter appertaining to the work of the Bills of Lading Committee, which will be sent to such members as may desire same if they will notify this office. The list is as follows:

New Uniform Bills of Lading.

Constitutionality of Proposed Act (H. R. 14934) relating to Bills of Lading.

Pennsylvania Speech—L. E. Pierson.

Little Rock, Arkansas, Speech—Thomas B. Paton.

Jamestown, Virginia, Speech—Thomas B. Paton.

Oklahoma Speech—Evans Woollen.

Draft of (State) Act relating to Bills of Lading, with Statement of Counsel and Digest of State Statutes.

A quantity of the following currency documents is on hand in the Secretary's office. If any of our members want copies with which to do educational work, we will be pleased to send them on advice to that effect:

Report of The Currency Commission of the American Bankers' Association.

Report of Currency Commission of American Bankers' Association, made at a meeting held at Chicago, Saturday, January 18, 1908.

Statement of Currency Commission of American Bankers' Association, presented to House Committee on Banking and Currency, at Washington, D. C., Wednesday, April 15, 1908.

Credit Currency. By Elmer H. Youngman, Editor *Bankers' Magazine*.

Address of Hon. Charles N. Fowler, Chairman Committee on Banking and Currency, on the Financial Situation, before The Illinois Manufacturers' Association, at Chicago, December 10, 1907.

Guaranty of National Bank Deposits. By James B. Forgan, President First National Bank, Chicago, Illinois, before the Annual Meeting of Group Two of the Bankers' Association of the State of Illinois, held at Peoria, June 11, 1908.

Report of Committee on Banking and Currency on the "Issue and Redemption of National Bank Guaranteed Credit Notes," Fifty-ninth Congress, Second Session, 1906-7.

Report of Special Committee, Trust Company Section, September 13, 1904, on the Classification of Legal Decisions relating to Safe Deposit Companies. Rules and Forms.

Address by Jordan J. Rollins before the Trust Company Section September 14, 1905, on "The Protection of Trust Companies Acting as Transfer Agents and Registrars."



# LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

**W**E publish in full for the information of our readers the Corporation Tax Amendment passed by the Senate on July third. The measure, as passed, is not the same as recommended by the President in his special message of June 16th with reference to the corporations affected. The President recommended "an amendment to the tariff bill imposing upon all corporations and joint stock companies for profit, except national banks (otherwise taxed) savings banks and building and loan associations, an excise tax measured by two per cent. on the net income of such corporations." The amendment, as passed, makes no exception of national banks. It applies to "every corporation, joint stock company or association organized for profit and having a capital stock represented by shares and every insurance company now or hereafter organized under the laws of the United States or of any state;" also to foreign corporations doing business in this country. The tax imposed is a special excise tax, payable annually, equivalent to two per cent. upon the entire net income over and above \$5,000, exclusive of amounts received as dividends upon stock of corporations subject to the tax.

There is serious question as to the constitutionality of this measure, but apart from other general grounds of objection, there is one provision in the law which, in its special application to banks, will be likely to work unforeseen hardship, unless remedied before its final adoption. The second paragraph of the law provides how the net income is to be ascertained and defines what may be deducted from gross income. Subdivision third provides that "interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation" may be deducted from gross income. As the "other indebtedness" of a banking corporation will include its deposits and as many banks carry deposits in an amount very largely in excess of their capital stock upon which they pay interest—especially stock savings banks—this will probably result in preventing many banks from deducting from gross income vast amounts of interest paid upon deposits in excess of capital.

General Counsel has prepared a brief memorandum upon this phase of the law (published elsewhere in the JOURNAL) in which the serious nature of the provision is more fully explained; and efforts are being made to have this specially inequitable feature remedied.

## Ocean Bills of Lading

The "Uniform Ocean Bill of Lading Association" is the name of an organization which has recently been formed for the purpose of securing the adoption of a uniform bill for ocean shipments. The precise object, as stated by its Constitution, "is primarily to secure the adoption by all ocean carriers, receiving or delivering cargo at United States ports, of uniform bill of lading clauses and conditions, so far as may be practicable; to co-operate with ocean transportation companies and agents in promoting and securing a better understanding of the needs of the export shipping public with the view to promote, conserve and protect the commercial and transportation interests." The Constitution



provides that "exporters and importers of all kinds of commodities shall be eligible to membership. Likewise industrial or commercial organizations of shippers or receivers." The dues of each member are fixed at \$25.00 per annum. The permanent headquarters of the organization will be in the City of New York. E. M. Terry is the acting Secretary and his temporary office is at Room 55, Knickerbocker Building, Baltimore, Md. Further particulars can be obtained from Mr. Terry.

**Memorandum of Thomas B. Paton, General Counsel, American Bankers' Association, Relative to Subdivision Third, Paragraph Second, H. R. 1438**

Not intending to place the American Bankers' Association on record in favor of the Corporation Tax Amendment and without stating objections thereto on constitutional and other grounds, there is serious objection to the phraseology of subdivision third, paragraph second, of H. R. 1438, which passed the Senate on July third, so far as it is applicable to banking institutions. This objection will be here hurriedly and briefly stated.

Section four (which constitutes the Corporation Tax Amendment) first imposes a special excise tax, payable annually, upon all insurance companies and stock corporations organized under state or national laws, equivalent to two per cent. upon the entire net income over and above \$5,000, exclusive of amounts received as dividends upon stock of corporations subject to the tax; also a similar tax upon foreign corporations equal to two per cent. of net income from business transactions in the United States.

With reference to ascertaining the net income, the amendment provides:

"Second. Such net income shall be ascertained by deducting from the gross amount of the income of such corporation, joint stock company or association or insurance company from all sources (first) all the ordinary and necessary expenses actually paid within the year out of income in the maintenance and operation of its business and properties; (second) all losses actually sustained within the year and not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (third) *interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, joint stock company or association or insurance company, outstanding at the close of the year*; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any state or territory thereof; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax hereby imposed; \* \* \* (remainder of section relates to ascertainment of net income of foreign corporations)."

It will be seen that subdivision third, in its application to banks, is fairly open to the construction that interest paid on deposits cannot be deducted except such interest as is paid on an amount of deposits not exceeding the paid-up capital stock; this for the reason that deposits of a bank are an indebtedness of the bank.

If this construction be correct it will seriously and injuriously affect all banks which pay interest on an amount of deposits in excess of capital, and especially stock savings banks. There are many savings banks organized under state laws and having capital stock, which carry savings deposits upon which



they pay interest, to an amount many times in excess of their capital stock. Under the operation of such a law a bank with \$100,000 capital and carrying savings deposits of \$1,000,000 upon which it pays three per cent. interest, or \$30,000, would only be permitted to deduct the interest on \$100,000, or \$3,000, of such \$30,000 paid, from its gross income. Assuming that the entire \$1,000,000 earned four per cent., or \$40,000 (not allowing for any amount held as reserve or uninvested) the bank in such case would pay \$30,000 to earn \$40,000, and its net income therefrom, apart from operating expenses, taxes, etc., would be only \$10,000; and yet, under the operation of this law, such net income would be fixed at \$27,000.

The payment of interest by banks on deposits is not confined to those of a savings character; interest is usually paid on bankers' balances, public deposits, and in other cases to which it is unnecessary to refer. The cases in which the interest-bearing deposits held by banks, savings or otherwise, are far in excess of the capital of the holding institution are very numerous. It is clear that interest paid on a deposit is as much an item of expense as any other in the conduct of a bank's business and that in ascertaining an amount as net income, the entire interest thus paid should be deducted, without limit as to amount.

Indeed, it is not presumed that the Senate, in enacting subdivision three, had any intention to prevent the banks from deducting from their gross income, beyond a limited amount, all that great item of expense they are compelled to pay as interest on deposits; nevertheless, the subdivision, as at present worded, so provides. It is provided:

"Interest actually paid within the year on its bonded or *other indebtedness* to an amount of such bonded and *other indebtedness* not exceeding the paid-up capital stock of such corporation," etc., may be deducted from gross income.

"Other indebtedness" in the case of a bank, certainly includes "deposits." This is recognized in the National Bank Act (Rev. Stat. Sec. 5202) which, in limiting the indebtedness of national banks, provides that

"No association shall at any time *be indebted* or in any way liable to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following: \* \* \* Second. Moneys *deposited* with or collected by the Association. \* \* \*

Similar provisions are found in a number of State Banking Laws, limiting the indebtedness of banks to the paid-up capital, but excepting from such limit indebtedness for deposits and certain other demands.

It is a general rule of law that when a general deposit is made in a bank, the relation of debtor and creditor is created, the bank becoming indebted to its depositor for the amount, and not a bailee or trustee unless the deposit is special or specific. And the courts have held the term "indebtedness" to include deposits where stockholders have been charged with liability for unpaid indebtedness of the bank and have been held liable to the depositor. See, for example, *Schalusky vs. Field*, 124 Ill. 617.

It would seem, therefore, that the "other indebtedness" of a bank would include its deposits and that when subdivision three provides that interest actually paid upon bonded or other indebtedness may be deducted from gross income, but only to an amount of such bonded and other indebtedness not exceeding the paid-up capital, it is a fair construction of such provision that the "other indebtedness" referred to would include deposits of a banking corporation and that such interest could not be deducted whenever paid upon an amount of deposits in excess of its paid capital.

If there were no specific provision as to deduction of interest, it might be contended that all interest paid on deposits could be deducted under subdivision



one as paid for "ordinary and necessary expenses actually paid within the year out of income in the maintenance and operation of its business and properties;" but there being an express provision covering deduction of interest, that would control.

Whether or not the above construction of subdivision three is correct, there is, at all events, sufficient doubt of its meaning and likelihood of its being thus interpreted, to make it desirable and just that, if the law is to be enacted at all, this provision should be so framed or amended as to make it clear that all interest paid on bank deposits may be deducted from gross income without limit as to amount.

THOMAS B. PATON,

*General Counsel American Bankers' Association.*

NEW YORK, July 6, 1909.

### CORPORATION TAX AMENDMENT

61st Congress }  
1st Session } H. R. 1438.

IN THE SENATE OF THE UNITED STATES.

(Passed July 3, 1909)

AMENDMENT.

Reported by Mr. Aldrich, from the Committee on Finance, to the bill (H. R. 1438) to provide revenue, equalize duties and encourage the industries of the United States, and for other purposes: Add as a new section the following:

Sec. 4. That every corporation, joint stock company or association, organized for profit and having a capital stock represented by shares, and every insurance company, now or hereafter organized under the laws of the United States or of any State or Territory of the United States or under the Acts of Congress applicable to Alaska or the District of Columbia, or organized under the laws of any foreign country and engaged in business in any State or Territory of the United States or in Alaska or in the District of Columbia, shall be subject to pay annually a special excise tax with respect to the carrying on or doing business by such corporation, joint stock company or association, or insurance company, equivalent to two per centum upon the entire net income over and above five thousand dollars received by it from all sources during such year, exclusive of amounts received by it as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax hereby imposed, or if organized under the laws of any foreign country, upon the amount of net income over and above five thousand dollars received by it from business transacted and capital invested within the United States and its Territories, Alaska, and the District of Columbia during such year, exclusive of amounts so received by it as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies subject to the tax hereby imposed.

Second. Such net income shall be ascertained by deducting from the gross amount of the income of such corporation, joint stock company or association, or insurance company from all sources (first), all the ordinary and necessary expenses actually paid within the year out of income in the maintenance and operation of its business and properties; (second) all losses actually sustained within the year and not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (third) interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, joint stock company or association, or insurance company, outstanding at the close of the year; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax hereby imposed: Provided, That in the case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, such net income shall be ascertained by deducting from the gross amount of its income from business trans-



acted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia; (first) all the ordinary and necessary expenses actually paid within the year out of earnings in the maintenance and operation of its business and property within the United States and its Territories, Alaska and the District of Columbia; (second) all losses actually sustained within the year in business conducted by it within the United States or its Territories, Alaska or the District of Columbia not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (third) interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness, not exceeding the proportion of its paid-up capital stock outstanding at the close of the year which the gross amount of its income for the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia bears to the gross amount of its income derived from all sources within and without the United States; (fourth) the sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint stock companies or associations, and insurance companies, subject to the tax hereby imposed.

Third. That there shall be deducted from the amount of the net income of each of such corporations, joint stock companies or associations, or insurance companies, ascertained as provided in the foregoing paragraphs of this section, the sum of five thousand dollars, and said tax shall be computed upon the remainder of said net income of such corporation, joint stock company or association, or insurance company for the year ending December thirty-first, nineteen hundred and nine, and for each year thereafter; and on or before the first day of March, nineteen hundred and ten, and the first day of March in each year thereafter, a true and accurate return under oath or affirmation of its president, vice-president, or other principal officer, and its treasurer or assistant treasurer, shall be made by each of the corporations, joint stock companies or associations, and insurance companies, subject to the tax imposed by this section, to the collector of internal revenue for the district in which such corporation, joint stock company or association, or insurance company has its principal place of business, or, in the case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, in the place where its principal business is carried on within the United States, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth, (first) the total amount of the paid-up capital stock of such corporation, joint stock company or association, or insurance company, outstanding at the close of the year; (second) the total amount of the bonded and other indebtedness of such corporation, joint stock company or association, or insurance company at the close of the year; (third) the gross amount of the income of such corporation, joint stock company or association, or insurance company received during such year from all sources, and if organized under the laws of a foreign country the gross amount of its income from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia; (fourth) the amount received by such corporation, joint stock company or association, or insurance company, within the year by way of dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax imposed by this section; (fifth) the total amount of all the ordinary and necessary expenses actually paid out of earnings in the maintenance and operation of the business and properties of such corporation, joint stock company or association, or insurance company, within the year, and if organized under the laws of a foreign country the amount so paid in the maintenance and operation of its business within the United States and its Territories, Alaska, and the District of Columbia; (sixth) the total amount of all losses actually sustained during the year and not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in the case of insurance companies the sums required by law to be carried to premium reserve fund, and in the case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, all losses actually sustained by it during the year in business conducted by it within the United States or its Territories, Alaska, and the District of Columbia, not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (seventh) the amount of interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, joint stock company or association, or insurance company outstanding at the close of the year, or in case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, interest so paid on its bonded or other indebtedness, to an amount of such bonded and other indebtedness, not exceeding the proportion of its paid-up capital stock outstanding at the close of the year which the gross amount of its income for the



year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia, bears to the gross amount of its income derived from all sources within and without the United States; (eighth) the amount paid by it within the year for taxes imposed under the authority of the United States or any State or Territory thereof; (ninth) the net income of such corporation, joint stock company or association, or insurance company, after making the deductions in this section authorized. All such returns shall as received be transmitted forthwith by the collector to the Commissioner of Internal Revenue.

Fourth. Whenever evidence shall be produced before the Commissioner of Internal Revenue which in the opinion of the Commissioner justifies the belief that the return made by any corporation, joint stock company or association, or insurance company, is incorrect, or whenever any collector shall report to the Commissioner of Internal Revenue that any corporation, joint stock company or association, or insurance company, has failed to make a return as required by law, the Commissioner of Internal Revenue may require from the corporation, joint stock company or association, or insurance company, making such return such further information with reference to its capital, income, losses, and expenditures as he may deem expedient; and the Commissioner of Internal Revenue, for the purpose of ascertaining the correctness of such return or for the purpose of making a return where none has been made, is hereby authorized, by any regularly appointed revenue agent specially designated by him for that purpose, to examine any books and papers bearing upon the matters required to be included in the return of such corporation, joint stock company or association, or insurance company, and to require the attendance of any officer or employee of such corporation, joint stock company or association, or insurance company, and to take his testimony with reference to the matter required by law to be included in such return, with power to administer oaths to such person or persons; and the Commissioner of Internal Revenue may also invoke the aid of any court of the United States to require the attendance of such officers or employees and the production of such books and papers. Upon the information so acquired the Commissioner of Internal Revenue may amend any return or make a return where none has been made. All proceedings taken by the Commissioner of Internal Revenue under the provisions of this section shall be subject to the approval of the Secretary of the Treasury.

Fifth. All returns shall be retained by the Commissioner of Internal Revenue, who shall make assessments thereon; and in case of any return made with false or fraudulent intent, he shall add one hundred per centum of such tax, and in case of a refusal or neglect to make a return or to verify the same as aforesaid he shall add fifty per centum of such tax. In case of neglect occasioned by the sickness or absence of an officer of such corporation, joint stock company or association, or insurance company, required to make said return, the collector may allow such further time for making and delivering such return as he may deem necessary, not exceeding thirty days. The amount so added to the tax shall be collected at the same time and in the same manner as the tax originally assessed unless the refusal, neglect, or falsity is discovered after the date for payment of said taxes, in which case the amount so added shall be paid by the delinquent corporation, joint stock company or association, or insurance company, immediately upon notice given by the collector. All assessments shall be made and the several corporations, joint stock companies or associations, or insurance companies, shall be notified of the amount for which they are respectively liable on or before the first day of June of each successive year, and said assessments shall be paid on or before the thirtieth day of June, except in cases of refusal or neglect to make such return, and in cases of false or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, make a return upon information obtained as above provided for, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such corporation, joint stock company or association, or insurance company immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the thirtieth day of June in any year, and for ten days after notice and demand thereof by the collector, there shall be added the sum of five per centum on the amount of tax unpaid and interest at the rate of one per centum per month upon said tax from the time the same becomes due, as a penalty.

Sixth. When the assessment shall be made, as provided in this section, the returns, together with any corrections thereof which may have been made by the Commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such.

Seventh. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or make known in any manner whatever not provided by law to any person any information obtained by him in the discharge of his official duty, or to divulge or make known in any manner not provided by law any document received, evidence taken, or report made under this section except upon the special direction of the President; and any offense against the foregoing provision shall be



a misdemeanor and be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both, at the discretion of the court.

Eighth. That if any of the corporations, joint-stock companies or associations, or insurance companies, aforesaid, shall refuse or neglect to make a return as above specified on or before the first day of March in each successive year, or shall render a false or fraudulent return, such corporation, joint-stock company or association, or insurance company, shall be liable to a penalty of not less than one thousand dollars and not exceeding ten thousand dollars.

That any person authorized by law to make, render, sign, or verify any return who makes any false or fraudulent return, or statement, with intent to defeat or evade the assessment required by this section to be made, shall be guilty of a misdemeanor, and shall be fined not exceeding one thousand dollars or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

That all laws relating to the collection, remission, and refund of internal-revenue taxes, so far as applicable to and not inconsistent with the provisions of this section, are hereby extended and made applicable to the tax imposed by this section.

Jurisdiction is hereby conferred upon the circuit and district courts of the United States for the district within which any person summoned under this section to appear to testify or to produce books, as aforesaid, shall reside, to compel such attendance, production of books, and testimony by appropriate process.

## OPINIONS

### Summary of Questions Received and Opinions Rendered to Members of the Association

#### BANK COLLECTION

Mailing a check direct to the drawee is held an act of negligence in Texas and other states and if loss results, sending bank is liable.

FROM LOUISIANA.—We forwarded December 2 and 3, 1908, to our Galveston correspondent (with whom we had an agreement to handle all of our Texas items, crediting the same to our account upon receipt, subject to payment) three items on the Bank of Edgewood, aggregating \$242.03, to be protested if not paid, which they received and credited to our account December 4, 1908; they in turn forwarded these items to their Fort Worth correspondent, who forwarded them direct to the Bank of Edgewood, which closed its doors January 13, 1909.

The first advice we received from Galveston bank that these items had not been paid is their letter dated February 27, 1909. They claim, however, that they advised us by postal card of the non-payment of these items in due time (they do not give date) which postal card we did not receive.

They charged the items to our account, March 18, 1909, and disclaim any liability; we contend that they are liable, for the reason that they received these items on December 4, 1908, and that the bank did not close its doors until January 13, 1909—nearly six weeks after they received them—showing that they did not use due diligence and that they did not advise us of non-payment in due time so that we could protect ourselves. The items were never returned, being in the possession of the Bank of Edgewood.

Irrespective of any question of lack of due diligence in presenting the items and advising you of their non-payment, a number of American courts, including the Supreme Court of Texas, have held that the drawee or payor of a check or other instrument is not a suitable agent to whom to entrust its collection, and that the mailing of a check or other instrument direct to such drawee or payor is an act of negligence which, if loss results, will make the sending bank liable therefor. See for the law of Texas on this point, *Bank vs. Bank*, 34 S. W. 458.

This being the rule, it would seem clear that your bank could hold your correspondent liable for the mailing of the items directly to the payor, the Bank of Edgewood, which failed without either paying or returning them.



# CUSTOMER INTRODUCING SWINDLER TO BANK

Customer not liable for swindler's fraud by mistakenly stating "this man is all right please wait on him," as such misrepresentation relates to a matter of opinion rather than of fact.

FROM TENNESSEE.—Several days ago one of our customers, a professor in a school here, came into the bank and introduced a man, giving his name J. A. McCoye, of Jackson, Tenn., saying that he was just entering the business department here of the school; that he wanted to cash a small check, and please show him the kindness of doing same. We of course cashed the check, \$105.00 drawn on First National Bank, Jackson, Tenn. The check was sent through in regular channel, was protested and returned. We have not the customer's endorsement in writing, but we have known him for several years to be a man of his word. In the event he does not wish to pay our loss, have we the legal and moral right to force him? Would his words that "this man is all right; please wait on him" be good grounds for us to try to force payment?

I think that the mere introduction by your customer of McCoye to the bank with the statement that the latter wanted to cash a small check, that he was all right and to please wait on him, would not be sufficient to render the customer liable to the bank where the check cashed on faith of such introduction and statement proved worthless.

To hold the customer liable the misrepresentation relied on must be one of fact, as distinguished from mere opinion, and it seems to me the statement in question would come within the latter category. Ewart on Estoppel (p. 72) quotes Garbert J. in *Bank vs. Hammond*, 55 Pac. 1090 as follows: "The general rule is that a representation cannot form the basis of an action for falsity unless it relates to a matter of fact as distinguished from opinion. The difficulty arises in making the distinction \* \* \*. If the representations are of such a character that they will bear either the construction that they were expressions of opinion or statements of fact, the question which they were must be decided by the jury; but in order to justify a finding that they were representations of fact, they must be statements susceptible of knowledge, as distinguished from opinion."

In *Homer vs. Perkins*, 124 Mass. 431, A sold B goods and took in payment the promissory note of C on the representation of B that C was perfectly good, worth a stated amount of money and perfectly able to pay the note. Such representations were false. The court held that if this was a mere expression of opinion of the solvency of C, of the value of the note and the amount of property that C had, no action would lie on the ground that it was false or intended to deceive. If, on the other hand, it was intended to be the statement of a fact, to be understood and relied upon as such, then an action would lie if false and fraudulent. It was held to be a question for the jury to decide.

In *Belcher vs. Costello*, 122 Mass. 189, the plaintiff took certain notes of third persons from the defendant as collateral security for payment of a debt, the defendant representing and giving to the plaintiff to understand that the makers of the notes were in good pecuniary circumstances and able to pay them. It was held that this representation, taken by itself, was not the statement of a fact but of an opinion merely.

On the other hand, in *Lahay vs. City Nat. Bank* (Supreme Court of Colorado, 1891), a check was drawn payable to one P. It was stolen by A and the name of P forged as payee. One L took A to the bank and identified him as P, innocently but mistakenly believing at the time that he was P, and on the faith of this identification, the bank cashed the check. It was held in this case that L was liable to the bank. The court said that L stated as of his own knowledge that the impostor was P for the express purpose of inducing the bank to pay over the money. The bank, relying upon such representation, did pay the money to the impostor, supposing him to be the payee entitled to receive it. The representation was in fact false and damage was sustained. Every element was present necessary to a recovery in an action of deceit.

The above citations will, I think, sufficiently indicate the law.

The case here presented is not like that of the Lahay case, where the customer innocently but falsely misrepresented that the party asking to have a check cashed was the payee named therein; but is one where a customer introduces a man to the bank, not misrepresenting his name or identity, but simply stating that "this man is all right; please wait on him." This, I think, would be held to be an expression of an opinion as distinguished from a statement of a fact and that there would be no legal liability on the part of the customer, although morally there might be an obligation, for the bank acted at the customer's request and on faith of his representations.

## NEGOTIABILITY OF CERTIFICATE OF DEPOSIT

Certificate of deposit issued in Minnesota payable "in current funds" is negotiable, and innocent purchaser is protected as against original owner who was held up and forced to indorse and part with certificate.

FROM MINNESOTA.—The holder of our time certificate of deposit for \$50.00 was held up and forced to endorse the certificate of deposit, and the same was presented to one of our customers who cashed same for the holder believing him to be the party



to whom the certificate was issued. The original owner stopped payment at the bank on the certificate of deposit and the query is to whom payment can be safely made by the bank. The certificate reads, "Payable in current funds twelve months after date." Would this destroy its negotiability and throw the loss on the party cashing same?

Whether the original owner or the person who cashed the certificate is to be the loser of the amount will depend upon whether the certificate is negotiable. If negotiable, then the person who cashed the certificate will be entitled to the amount as against the original owner, assuming the former is an innocent purchaser for value before maturity without notice.

Whether an instrument payable "in currency" or "in current funds" is negotiable is a subject of some conflict in the different states. The Minnesota law would govern the question and the only decision in Minnesota is *Butler vs. Paine*, 8 Minn. 324, decided in 1863. It was there held, after full discussion and examination of conflicting authorities, that a draft drawn for \$300 payable "in currency" was negotiable. The court said: "The word 'currency' means in one, and we think the primary, sense, the established lawful standard medium of exchange, legal tender money or gold and silver coin."

The certificate in question is payable "in current funds," but the term "in currency" is equivalent to "in current funds." In *Hatch vs. First National Bank*, 94 Me. 348, the court said: "The modern and better doctrine is that the term 'current funds' when used in commercial transactions, as the expression of the medium of payment, shall be construed to mean current money—funds which are current by law as money—and that when thus construed, a certificate of deposit payable in current funds is in this respect negotiable. It is well known that certificates of deposit are commonly made payable in currency or in current funds and the interpretation given is in accord with the universal understanding of the parties giving and receiving such instruments."

Unless the courts of Minnesota would now take a different view from that held in 1863, and one contrary to probably the weight of modern authority, the certificate in question is a negotiable instrument and, being negotiable, the innocent purchaser who took it for value, bearing the indorsement in blank of the payee, acquired a title thereto superior to that of the latter. It is elementary law that the innocent purchaser from a thief or finder of a negotiable instrument indorsed in blank, acquires a title superior to that of the original owner, and in a case such as the present where the original owner was forced to indorse and hand over a negotiable certificate, the same rule, of course, applies.

### PAYMENT OF CHECKS

Deposit left on closing account for purpose of paying specified checks. Justification of bank in paying other checks under circumstances presented.

FROM FLORIDA.—A, who has been keeping an account in this bank for some time past, came into the bank some days since and stated that he was leaving the city and desired to close his account, and that he had out two checks, one for \$250 and one for \$100, which being deducted from his balance as shown on our books, the balance was paid in cash over the counter to him.

Afterward his check for \$50 was presented and paid, as was also one for \$75, thus leaving a balance insufficient to take up both the checks he stated were out. We, of course, refused to pay the check of \$250 for want of sufficient funds.

Are we responsible to A for paying the two checks first presented, and should we have refused payment on the \$50 and the \$75 checks, although he had money to his credit when they were presented?

It would seem that where a customer closes his account and leaves the sum of \$350 with his bank for the specific purpose of paying two checks which he has outstanding, one for \$250 and one for \$100, the deposit is no longer a general one, subject to check, but is a specific or trust deposit, applicable solely to the payment of such two checks and not to be paid or appropriated in any other manner.

And yet the fact that the customer when closing his account misrepresented that he had no other checks outstanding, while he had drawn one for \$50 and one for \$75; or if he did not so misrepresent, then the fact that he subsequently drew two checks, one for \$50 and one for \$75 (your statement does not show whether these two checks were issued before or after the account was closed) would in either case so far tend to negative the idea that the \$350 was specifically appropriated to the two latter checks as probably to justify the bank in regarding the balance as still on general account, subject to check, and honoring its customer's checks in order of their presentment.

I think the case is one where, if a mistake was made and a specific deposit which was appropriated to a particular check wrongly paid on another check, such mistake was due to the action of the customer and that the bank would not be held responsible to him therefore.



# SIGNATURE BY MARK WITH ATTESTING WITNESS

Question of competency of cashier or other officer of bank to witness mark of a customer on a note or check in favor of same bank.

FROM MISSOURI.—Can a cashier of a bank or other officer of same witness the mark of a customer on a note, draft or check in favor of same bank?

I think the cashier or other officer, where not a stockholder of the bank, is undoubtedly competent to witness the mark of a customer to a note or check in favor of the bank; but there is some doubt where he is a stockholder, for the question would arise whether his interest as such would not disqualify him. The majority of courts which have passed upon the question hold that a notary who is a stockholder is not qualified to take the acknowledgment of an instrument running to the bank, and the question would be whether the same doctrine would be applied to a subscribing witness.

It may be instructive to briefly consider the law governing the validity of signature by mark and witness.

At common law a note signed by mark is valid against the signer though there be no subscribing witness; but of course the mere mark does not prove itself and it must be proved by the admission of the signer or by the testimony of some person who saw the signature made or to whom the marksman acknowledged that he made it. The general practice, however, is to have a subscribing witness to a signature by mark, and then the signing must be proved by such attesting witness. *Willoughby vs. Moulton*, 47 N. H. 205.

In some states statutes have been enacted to expressly validate signatures by mark and witness. For example, in Kentucky (Civil Code, Sec. 732, Subdiv. 7) the following definition is provided: "A signature includes a mark by or of a person who cannot write, if his name be subscribed to an instrument and witnessed by a person who may thereto write his name as a witness."

But even under such statutes, a note signed by mark without attesting witness is valid when proven. In *Vanover vs. Murphy's Admr.*, Kentucky Court of Appeals 1901, 15 S. W. 61, this is clearly explained. The Court said: "The appellant insists that the note is not his act and deed and that the signature by mark merely evidences no obligation, even if made by him. He refers to Section 732, Subdiv. 7. This note is not attested, but if the mark was really made by the obligor and proven, its validity as a written obligation necessarily follows. In the one case it proves itself, if a plea of *non est factum* is not made. And where there is no attesting witness other proof will be required of its execution. It is true the plea of *non est factum* places the burden on the obligee wherever a signature, made in either mode, is denied; but the mere presentation of a note with a mark only is not evidence of its validity, unless attested as directed by the Code, but when proven to have been made is as valid as any other signature."

Of course, if a statute in any state should expressly require an attesting witness to make a signature by mark valid, the result would be different. There is no such statute in Missouri, from whence this inquiry comes.

Thus far, the law has been shown irrespective of any question of interest in the person who signs as attesting witness, or who testifies to having seen a signature made by mark without a subscribing witness thereto.

This brings us to the question of disqualification of an attesting or other witness to a signature by mark by reason of his interest in the instrument.

At common law, a party was disqualified from testifying as a witness in an action by reason of his interest. But this common law rule has been quite generally changed by statute. The Missouri statute, for example, has abrogated the common law rule which disqualifies a witness from testifying when he has an interest in the result of the suit and interest is no longer a disqualification; except where one of the parties is dead, the other party is disqualified. This statute is typical of similar statutes in other states.

Under this, the payee of a note, signed by mark without attesting witness, would be qualified to go into court, the maker still being living, and testify to seeing the maker sign by mark; and if an individual payee would be competent to give this testimony, with stronger reason the officer of a payee corporation would be competent. For example, in *Jackson vs. Tribble*, 47 Southern 310, decided by the Supreme Court of Alabama in 1908, the court says: "There is no law in operation in this state prohibitory of the competency of a payee as a witness to testify to the execution of a note by a living payor;" and it was held in this case that a signature by mark is valid, though not attested, where the attestation is not required by statute.

Having reached the conclusion that the payee of a note, signed by mark without attesting witness, or the officer or agent of the payee, is competent, in the absence of prohibitory statute, to testify to the fact of the signature where the maker is still living, the question remains whether such payee, or his officer or agent, or the stockholder of a corporation payee, would be less competent where, instead of seeing the signature made without attesting it and testifying thereto in court, he subscribes his name as attesting witness thereto.



It would seem, at first view, as if the witness would be as competent in the one case as in the other. But the authorities leave this question in doubt.

In *Farnsworth vs. Rowe*, 33 Me. 263, the agent of a payee who signed as attesting witness was objected to because of interest, but the court held he was a proper subscribing witness.

In *Chadwell vs. Chadwell*, 98 Ky. 643, the court however said: "The note in question, as shown by the affidavits of the original payee and of the present claimant, seems to have been signed only by mark and to have had no attesting witness until after the death of the decedent, and then only attested by the original payee, who was then not a competent witness as to the transaction between him and the decedent and therefore his attestation was a nullity, if indeed the attestation of the payee in a note under any circumstances is not a nullity."

This language would seem to throw some doubt upon the competency of a payee to act as attesting witness and carries with it a doubt as to the competency of a stockholder of a corporation payee, although a mere officer or agent, not a stockholder, would doubtless be competent.

It has also been held where a statute requires two attesting witnesses to a deed or mortgage that the grantee or mortgagee is incompetent as one of such witnesses and the attestation is void. (*Siebold vs. Rogers*, 110 Ala. 438; *Donovan vs. St. Anthony & Dakota Elevator Co.*, 8 N. D. 585; but to the contrary it has been held in South Dakota that it is competent for a mortgagee to be one of the attesting witnesses of his own mortgage. *Fisher vs. Porter*, 77 N. W. 112.)

In Missouri it has been held that the acknowledgment of a deed of trust before the trustee, as notary, is invalid. The trustee is an interested party and disqualified. He is interested at least to the extent of his commissions. *Dail vs. Moore*, 51 Mo. 589. And quite generally, as already said, where the notary is stockholder of a mortgagee corporation, the courts hold him disqualified.

While, therefore, the courts will hold the payee of a note qualified to testify to seeing it signed by mark, where the maker is yet living and there is no statute expressly disqualifying him, and while there would seem to be no good reason why, being so qualified, he would not be equally competent to subscribe his name as attesting witness, there nevertheless seems to be doubt upon the competency of the payee to so act, which doubt would extend to a stockholder of the payee.

My conclusion, therefore, as stated in the beginning, is that while an officer, not a stockholder, of the payee bank, is undoubtedly competent to subscribe to a mark of the maker as attesting witness, there is sufficient doubt upon the question whether, if a stockholder, he is equally competent as to make it unwise to act, in the latter case, upon the assumption of such competency. At the same time it would seem that, even if such attestation by a stockholder of the payee bank was a nullity, the subscribing witness might independently testify in court to the fact of execution, wherever the maker was still living.

### COMPETENCY OF BANK NOTARIES

Under law of Illinois stockholder of corporation is disqualified, as notary, to take acknowledgments of deeds running to the corporation—enactment of remedial legislation suggested.

FROM ILLINOIS.—In making our real estate loans, the acknowledgment has always been taken before myself (cashier) or our assistant cashier. We had a bank examiner in a few days ago, and he contends that we are disqualified to take these acknowledgments on account of our being stockholders, directors and officers of this bank, which is party to the instrument acknowledged. If this is true, it seems to me that we will have to get our Legislative Committee after the proposed law in reference to "Competency of Bank Notaries," which you show in the *JOURNAL* of January this year. Will you be kind enough to give us your opinion in reference to the above as you construe our Illinois law on acknowledgments?

Your bank examiner is correct. The Supreme Court of Illinois has held that a notary who is a stockholder is disqualified to take the acknowledgment of an instrument running to the corporation. In *Fugman vs. Building and Loan Association*, 209 Ill. 176, it was held that an acknowledgment of a trust deed before a notary who was a stockholder and director of the beneficiary corporation, is void. In *Russell vs. Bosworth*, 106 Ill. App. 314, it was held that an acknowledgment taken by a notary who is named as trustee in the instrument is void.

I do not think a notary who is an officer, without being a stockholder, would be disqualified, but where he is also a stockholder, the courts of Illinois, as well as the majority of other courts which have passed upon the question, hold him disqualified.

The proposed law which I drafted covering "Competency of Bank Notaries" designed to make it lawful for a notary who is a stockholder or officer to take acknowledgments, etc., was forwarded the Legislative Committee of the Illinois Bankers' Association last winter



with copies of certain other proposed laws, but the committee were not successful in procuring its enactment. If urged at the next session it would probably be passed as the legislature of Illinois has heretofore passed an act validating defective acknowledgments of this character. The act I refer to was passed in 1903, and as it is not very long I will quote it entire:

An act to legalize acknowledgments of deeds, mortgages and other instruments in writing, heretofore taken by any notary public, justice of the peace or other officer, who may have been a stockholder in any such corporation at the time of taking such acknowledgment.

Section 1. Be it enacted by the People of the State of Illinois, etc.: That all deeds, mortgages or other instruments in writing, relating to or affecting any real estate situated in this state, wherein a corporation was or may be the grantor, mortgagor, grantee, or mortgagee, which have been acknowledged or proven before any notary public, justice of the peace or other officer authorized by the statutes of this state to take acknowledgments of such instruments in writing, when so acknowledged or proven, in conformity with the statutes of this state, shall be adjudged and treated by all courts of this state as legally executed and acknowledged or proven, notwithstanding such acknowledgments or proof of the execution thereof were taken before a notary public, justice of the peace, or such other officer who was, or may have been at the time of such acknowledgment, a stockholder or officer of such corporation; and all such acknowledgments or proof of such deeds, mortgages or other instruments in writing heretofore taken before any such notaries public or other officers, who were at the time of such execution, acknowledgment or proof, a stockholder or officer of such corporation, are hereby legalized.

Section 2. Whereas an emergency exists, therefore this act shall take effect from and after its passage.

Approved, May 15, 1903.

The above act, as shown by its title, merely validates acknowledgments theretofore taken by any notary or other officer, who may have been a stockholder at the time of taking the acknowledgment. This law, in a way, illustrates the necessities of business which require stockholders, who are notaries, to act in the latter capacity in cases of instruments running to the corporation and it would seem that there should be but little difficulty in convincing the legislature that the policy of such legislation should be made permanent, which can be done by the enactment of the proposed law covering "Competency of Bank Notaries."



# STATE BANKERS' ASSOCIATIONS, 1908-9

## ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS

Organized November 13, 1902

### OFFICERS

W. F. KEYSER, Sedalia, Mo., *President*.  
L. P. HILLIER, Macon, Ga., *First Vice-President*.

L. O. BROUSSARD, Abbeville, La., *Second Vice-Pres.*  
FRED. E. FARNSWORTH, New York, N. Y., *Sec. & Tr.*

### BOARD OF CONTROL

ANDREW SMITH, Indianapolis, Ind.  
E. O. ELDRIDGE, New York City.

N. P. GATLING, Lynchburg, Va.  
J. W. HOOPES, Austin, Tex.  
L. A. COATE, Boise, Idaho.

### CONVENTIONS TO BE HELD IN 1909

July 7-9.	Michigan.....(Arlington Hotel).....	Petoskey.
" 8-9.	North Dakota.....	Minot.
" 15-16.	New York.....(United States Hotel).....	Saratoga.
Aug. 4-5.	Montana.....	Missoula.
Sept. 7-8.	Pennsylvania.....	Bedford Springs.
Week of Sept. 13.	American Bankers' Association.....	Chicago.
Oct. 12-13.	Illinois.....	Decatur.

#### ALABAMA—ORGANIZED 1892.

*President*—H. L. McELDERY, President Talladega National Bank, Talladega.  
*Vice-President*—W. L. LANCASTER, President Bank of Wetumpka, Wetumpka.  
*Secretary and Treasurer*—McLANE TILTON, JR., Cashier Bank of St. Clair County, Pell City.

#### ARIZONA—ORGANIZED 1903.

*President*—M. J. CUNNINGHAM, Cashier Bank of Bisbee, Bisbee.  
*Vice-President*—C. A. VAN DORN, Asst. Cashier Gila Valley Bank & Trust Co., Clifton.  
*Secretary*—MORRIS GOLDWATER, President Commercial Trust Co., Prescott.  
*Treasurer*—LLOYD B. CHRISTY, Cashier Valley Bank, Phoenix.

#### ARKANSAS—ORGANIZED 1891.

*President*—T. C. McRAE, President Bank of Prescott, Prescott.  
*Vice-President*—GEORGE R. WOOD, Cashier Citizens Bank, Van Buren.  
*Secretary*—C. T. WALKER, Secretary and Treasurer Little Rock Trust Co., Little Rock.  
*Treasurer*—JAMES E. PARR, Cashier First National Bank, Jonesboro.

#### CALIFORNIA—ORGANIZED 1891.

*President*—H. S. FLETCHER, President Bank of Watsonville, Watsonville.  
*Vice-President*—W. H. HIGH, Manager International Banking Corporation, San Francisco.  
*Treasurer*—JAMES J. FAGAN, Vice-President Crocker National Bank, San Francisco.  
*Secretary*—R. M. WELCH, Assistant Cashier San Francisco Savings Union, San Francisco.  
*Assistant Secretary*—F. H. COLBURN, 502 California Street, San Francisco.

#### CANADIAN—ORGANIZED 1893.

*President*—E. S. CLOUSTON, General Manager Bank of Montreal.  
*Secretary and Treasurer*—J. T. P. KNIGHT, Montreal, Que.

#### COLORADO—ORGANIZED 1902.

*President*—GORDON JONES, Vice-President The United States National Bank, Denver.  
*Vice-President*—ALBERT A. REED, President The Mercantile Bank and Trust Company, Boulder.  
*Secretary and Treasurer*—GUY L. V. EMERSON, Cashier Silverton National Bank, Silverton.

#### CONNECTICUT—ORGANIZED 1899.

*President*—C. C. BARLOW, Cashier Yale National Bank, New Haven.

*Vice-President*—M. H. Griffing, Cashier City National Bank, Danbury.  
*Secretary*—C. E. HOYT, Secretary and Treasurer South Norwalk Trust Company, South Norwalk.  
*Treasurer*—H. C. LATHROP, Cashier Windham National Bank, Willimantic.

#### DISTRICT OF COLUMBIA—ORGANIZED 1901.

*President*—E. J. STELLWAGEN, President Union Trust Co., Washington.  
*Vice-Presidents*—E. S. PARKER, President National Metropolitan Bank, Washington; B. F. SAUL, President Home Savings Bank, Washington.  
*Secretary*—WILLIAM A. MEARNS, of Lewis Johnson & Co., Washington.  
*Treasurer*—GEORGE WALSON, Cashier National Metropolitan Bank, Washington.

#### FLORIDA—ORGANIZED 1889.

*President*—CARY A. HARDER, President First National Bank, Live Oak.  
*Vice-Presidents*—H. E. TAYLOR, Gainesville; P. F. BARDIN, Lake City; G. E. LEWIS, Tallahassee; R. R. TURNBULL, Monticello; C. J. CARLTON, Wauchula.  
*Secretary and Treasurer*—GEORGE R. DESAUSSEURE, Cashier Barnett National Bank, Jacksonville.

#### GEORGIA—ORGANIZED 1892.

*President*—E. D. WALTER, Cashier National Bank of Brunswick, Brunswick.  
*Vice-Presidents*—A. P. COLES, Atlanta; WILLIAM W. OSBORN, Savannah; WILLIAM SCHWIGERT, Augusta; W. C. LANIER, West Point; B. W. HUNT, Eatonton.  
*Secretary*—L. P. HILLIER, Vice-President American National Bank, Macon.  
*Treasurer*—E. C. SMITH, Cashier Griffin Banking Co., Griffin.

#### IDAHO—ORGANIZED 1905.

*President*—BOYD HAMILTON, Cashier Coeur d'Alene Bank & Trust Co., Coeur d'Alene.  
*Vice-President*—J. A. GIVENS, Vice-President Bank of Nampa, Ltd., Nampa.  
*Secretary*—L. A. COATE, Vice-President Bank of Commerce, Boise.  
*Treasurer*—E. K. HAYES, Cashier First National Bank, Emmett.

#### ILLINOIS—ORGANIZED 1880.

*President*—JAMES MCKINNEY, Aledo Bank, Aledo.  
*Vice-President*—OSCAR G. FOREMAN, Vice-President Foreman Bros. Banking Co., Chicago.  
*Secretary*—R. L. RINAMAN, Rooms 1030-32, The Rockery, Chicago.  
*Treasurer*—T. S. O. McDOWELL, President First National Bank, Fairbury.



# JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

## INDIANA—ORGANIZED 1897.

*President*—JAMES W. SALE, President Farmers & Traders Bank, Markle.  
*Vice-President*—CHARLES H. WORDEN, Vice-President First National Bank, Fort Wayne.  
*Secretary*—ANDREW SMITH, Vice-President Capital National Bank, Indianapolis.  
*Treasurer*—HARRY H. OGDEN, Cashier Old State National Bank, Evansville.

## IOWA—ORGANIZED 1887.

*President*—J. D. EASTON, President Iowa State Bank, Waterloo.  
*Vice-President*—L. E. STEVENS, Cashier Wapello County Savings Bank, Ottumwa.  
*Secretary*—J. M. DINWIDDIE, Cashier Cedar Rapids Savings Bank, Cedar Rapids.  
*Treasurer*—I. M. SPROUL, Vice-President Citizens' Savings Bank, Washington.

## KANSAS—ORGANIZED 1887.

*President*—P. W. GOEBEL, President Commercial National Bank, Kansas City, Kas.  
*Vice-President*—CHARLES E. LOBDELL, President First State Bank, Larned.  
*Secretary*—W. W. BOWMAN, Topeka.  
*Treasurer*—L. S. NAFTZGER, President Fourth National Bank, Wichita.

## KENTUCKY—ORGANIZED 1891.

*President*—J. R. DOWNING, Cashier Georgetown National Bank, Georgetown.  
*Secretary*—ISHAM BRIDGES, Manager Louisville Clearing House, Louisville.  
*Treasurer*—HENRY D. ORMSBY, Cashier National Bank of Kentucky, Louisville.

## LOUISIANA—ORGANIZED 1900.

*President*—R. N. SIMS, Vice-President Peoples Bank, Donaldsonville.  
*Vice-President*—A. BRETON, Vice-President German-American National Bank, New Orleans.  
*Secretary*—L. O. BROUSSARD, President Bank of Abbeville, Abbeville.  
*Treasurer*—L. M. POOL, Active Vice-President Hibernia Bank & Trust Co., New Orleans.

## MAINE—ORGANIZED 1900.

*President*—FREDERICK D. HILL, Cashier Bath National Bank, Bath.  
*Vice-President*—CHARLES A. MOODY, President First National Bank, Biddeford.  
*Secretary*—HASCALL S. HALL, Cashier Ticonic National Bank, Waterville.  
*Treasurer*—GEORGE A. SAFFORD, Cashier Northern National Bank, Hallowell.

## MARYLAND—ORGANIZED 1896.

*President*—JOS. D. BAKER, President Citizens National Bank, Frederick.  
*Secretary*—CHARLES HANN, Assistant Cashier National Mechanics Bank, Baltimore.  
*Treasurer*—WILLIAM MARRIOTT, Cashier Western National Bank, Baltimore.

## MASSACHUSETTS—ORGANIZED 1905.

*President*—ALFRED L. AIKEN, President Worcester County Institution for Savings, Worcester.  
*Vice-President*—ALLAN FORBES, Vice-President State Street Trust Co., Boston.  
*Secretary*—George W. Hyde, Assistant Cashier First National Bank, Boston.  
*Treasurer*—FREDERIC C. NICHOLS, Treasurer Fitchburg Savings Bank, Fitchburg.

## MICHIGAN—ORGANIZED 1887.

*President*—LEON CHICHESTER, President First State Bank, Petoskey.  
*Vice-Presidents*—H. G. BARNUM, President First National Exchange Bank, Port Huron; EMORY W. CLARK, Vice-President The First National Bank, Detroit.  
*Secretary and Attorney*—HAL H. SMITH, 1123 Ford Building, Detroit.  
*Treasurer*—FRED. S. CASE, Vice-President Marquette County Savings Bank, Marquette.

## MINNESOTA—ORGANIZED 1887.

*President*—W. I. PRINCE, Cashier City National Bank, Duluth.

*Vice-President*—L. A. HUNTOON, President First National Bank, Moorhead.  
*Secretary*—CHARLES R. FROST, 209 Metropolitan Life Building, Minneapolis.  
*Treasurer*—L. WHITMORE, Cashier First National Bank, Wabasha.

## MISSISSIPPI—ORGANIZED 1889.

*President*—W. M. ANDERSON, President Merchants' Bank & Trust Co., Jackson.  
*Vice-President*—C. A. JOHNSTON, President First State Bank, Columbus.  
*Secretary and Treasurer*—B. W. GRIFFITH, President First National Bank, Vicksburg.

## MISSOURI—ORGANIZED 1891.

*President*—J. P. HINTON, Cashier Hannibal National Bank, Hannibal.  
*Vice-President*—A. O. WILSON, Vice-President State National Bank, St. Louis.  
*Secretary*—W. F. KEYSER, Sedalia.  
*Treasurer*—A. H. WAITE, President Joplin National Bank, Joplin.

## MONTANA—ORGANIZED 1904.

*President*—W. W. McCrackin, President Ravalli County Bank, Hamilton.  
*Vice-President*—JOHN E. EDWARDS, President Bank of Commerce, Forsyth.  
*Secretary-Treasurer*—FRANK BOGART, Cashier Union Bank and Trust Company, Helena.

## NEBRASKA—ORGANIZED 1890.

*President*—C. E. BURNHAM, President Norfolk National Bank, Norfolk.  
*Secretary*—WILLIAM B. HUGHES, Manager Omaha Clearing House, Omaha.  
*Treasurer*—F. T. HAMILTON, Vice-President Merchants' National Bank, Omaha.

## NEVADA—ORGANIZED 1908.

*President*—F. M. LEE, Cashier Nixon National Bank, Reno.  
*Vice-President*—JOHN HENDERSON, President Henderson Banking Co., Elko.  
*Secretary*—GEORGE H. TAYLOR, Asst. Cashier Washoe County Bank, Reno.  
*Treasurer*—FRED GROB, Cashier Farmers' & Merchants' National Bank, Reno.

## NEW JERSEY—ORGANIZED 1903.

*President*—EDWARD L. HOWE, Vice-President Princeton Bank, Princeton.  
*Vice-President*—ADRIAN LYON, President Perth Amboy Savings Institution, Perth Amboy.  
*Secretary*—WM. J. FIELD, Secretary and Treasurer Commercial Trust Company, Jersey City.  
*Treasurer*—ALEX. C. WOOD, President Camden Safe Deposit and Trust Co., Camden.

## NEW MEXICO—ORGANIZED 1905.

*President*—R. J. PALEN, President First National Bank, Santa Fe.  
*Vice-President*—E. A. CAHOON, Cashier First National Bank, Roswell.  
*Secretary*—HALLETT RAYNOLDS, Asst. Cashier First National Bank, Las Vegas.  
*Treasurer*—J. B. HERNDON, Cashier State National Bank, Albuquerque.

## NEW YORK—ORGANIZED 1804.

*President*—E. S. TEFFT, Cashier, First National Bank, Syracuse.  
*Vice-President*—F. E. LYFORD, President First National Bank, Waverly.  
*Treasurer*—DELMAR RUNKLE, Cashier People's National Bank, Hoosick Falls.  
*Secretary*—E. O. ELDRIDGE, 473 Hancock Street, Brooklyn, N. Y.  
*Assistant Secretary*—WILLIAM J. HENRY, 92 West Broadway, New York City.

## NORTH CAROLINA—ORGANIZED 1897.

*President*—JOHN O. ELLINGTON, Vice-President and Cashier Fourth National Bank, Fayetteville.  
*Vice-Presidents*—W. C. WILKINSON, Charlotte; J. C. BRASWELL, Rocky Mount; LEAKE S. COVINGTON, Rockingham.  
*Secretary and Treasurer*—WILLIAM A. HUNT, Cashier Citizens Bank, Henderson.



# JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

## NORTH DAKOTA—ORGANIZED 1903.

*President*—C. J. LORD, President First National Bank, Cando.  
*Vice-President*—R. C. KITTEL, President First National Bank, Casselton.  
*Secretary*—W. C. MACFADDEN, Cashier Commercial Bank, Fargo.  
*Treasurer*—J. N. KUHLE, Cashier First National Bank, Towner.

## OHIO—ORGANIZED 1891.

*President*—W. F. HOFFMAN, President Commercial National Bank, Columbus.  
*Vice-President*—GEORGE P. JONES, Cashier First National Bank, Findlay.  
*Secretary*—S. B. RANKIN, President Bank of South Charleston, South Charleston. Office 809 Wyandotte Building, Columbus.  
*Treasurer*—FAY BALDWIN, Vice-President Highland County Bank, Greenfield.  
*Assistant Secretary*—S. C. ARBUCKLE, 809 Wyandotte Building, Columbus.

## OKLAHOMA—ORGANIZED 1907.

*President*—L. A. WILSON, President First National Bank, El Reno.  
*Vice-Presidents*—J. B. FERGUSON, President Garfield Exchange Bank, Enid; W. F. FRAKER, Cashier First State Bank, Broken Arrow.  
*Treasurer*—J. D. WADE, Cashier Duncan National Bank, Duncan.  
*Secretary*—W. S. GUTHRIE, Cashier Farmers' State Bank, Oklahoma City.

## OREGON—ORGANIZED 1905.

*President*—R. W. SCHMEER, Vice-President First National Bank, Portland.  
*Vice-President*—ALEX. MARTIN, Cashier Klamath County Bank, Klamath Falls.  
*Secretary*—J. L. HARTMAN, Hartman & Thompson, Bankers, Portland.  
*Treasurer*—F. L. MEYERS, Cashier La Grande National Bank, La Grande.

## PENNSYLVANIA—ORGANIZED 1894.

*President*—ELI S. REINHOLD, Director Union National Bank, Mahanoy City.  
*Vice-President*—R. E. JAMES, President Easton Trust Co., Easton.  
*Secretary*—D. S. KLOSS, Cashier First National Bank, Tyrone.  
*Treasurer*—ROBERT J. STONEY, JR., Banker, Pittsburgh.

## SOUTH CAROLINA—ORGANIZED 1901.

*President*—D. D. MCCOLL, President Bank of Marlboro, Bennettsville.  
*Vice-President*—WILSON G. HARVEY, President Enterprise Bank, Charleston.  
*Secretary and Treasurer*—GILES L. WILSON, State Bank Examiner, Spartanburg.  
*Attorney*—A. M. LEE, Charleston.

## SOUTH DAKOTA—ORGANIZED 1886.

*President*—S. DREW, President Bank of Highmore, Highmore.  
*Vice-President*—A. M. SHAW, Cashier, Delmont State Bank, Delmont.  
*Treasurer*—J. A. PRITZKAU, Cashier German American National Bank, Redfield.  
*Secretary*—J. E. PLATT, Cashier Security Bank, Clark.

## TENNESSEE—ORGANIZED 1890.

*President*—E. G. OATES, Vice-President Mechanics Bank & Trust Co., Knoxville.  
*Vice-Presidents*—S. F. THOMAS, Brownsville; J. B. WALKER, Centerville; W. K. ARMSTRONG, Rogersville.  
*Treasurer*—TATE L. EARNEST, Cashier Unaka National Bank, Johnson City.  
*Secretary*—JOHN J. HEPLIN, Nashville.  
*General Counsel*—W. D. WITHERSPOON, Nashville.

## TEXAS—ORGANIZED 1885.

*President*—O. E. DUNLAP, President Citizens' National Bank, Waxahachie.  
*Vice-Presidents*—JOHN T. SCOTT, Houston; J. K. WOODS, Laredo; G. M. BOOTH, Taylor; LOUIS WELLS, Hubbard; W. F. SKILLMAN, Sulphur Springs; W. T. SMITH, Blanket; A. D. McLAUGHLIN, Hamlin.  
*Secretary*—J. W. HOOPES, Vice-President Austin National Bank, Austin.  
*Assistant Secretary*—D. C. DUNN, Cashier Union Bank & Trust Co., Houston.  
*Treasurer*—T. W. SLACK, Cashier First National Bank, Fort Worth.

## UTAH—ORGANIZED 1909.

*President*—L. S. HILLS, President Deseret National Bank, Salt Lake City.  
*Vice-Presidents*—A. R. HEYWOOD, President Commercial National Bank, Ogden, WILLIAM H. BRERETON, President State Bank of Provo, Provo.  
*Secretary and Treasurer*—S. A. WHITNEY, Cashier McCormick & Co., Bankers, Salt Lake City.

## VERMONT—ORGANIZED 1900.

*President*—H. L. WARD, Vice-President Burlington Trust Company, Burlington.  
*Vice-President*—C. F. CHAPMAN, Treasurer Ottawa-quechee Savings Bank, Woodstock.  
*Secretary*—H. T. RUTTER, Cashier Howard National Bank, Burlington.  
*Treasurer*—D. L. WELLS, Cashier First National Bank, Orwell.

## VIRGINIA—ORGANIZED 1893.

*President*—HENRY A. WALKER, Cashier National Valley Bank, Staunton.  
*Vice-Presidents*—E. P. MILLER, Lynchburg; H. N. PHILLIPS, Williamsburg; W. MEAD ADDISON, Richmond; JULIAN P. BURKE, Alexandria; J. W. MILLER, Pulaski.  
*Secretary*—N. P. GATLING, Lynchburg.  
*Treasurer*—JULIAN HILL, Assistant Cashier State National Bank, Richmond.  
*Attorney*—GEORGE BRYAN, Richmond.

## WASHINGTON—ORGANIZED 1890.

*President*—ARTHUR F. ALBERTSON, Vice-President, National Bank of Commerce, Tacoma.  
*Vice-President*—J. D. BASSETT, President First National Bank, Ritzville.  
*Secretary*—P. C. KAUFFMAN, Vice-President Fidelity Trust Company, Tacoma.  
*Treasurer*—CHARLES A. McLEAN, Cashier The Traders National Bank, Spokane.

## WEST VIRGINIA—ORGANIZED 1895.

*President*—WILLIAM B. IRVINE, Vice-President National Bank of West Virginia, Wheeling.  
*Vice-President*—JAMES K. ONEY, Cashier Huntington National Bank, Huntington.  
*Secretary and Treasurer*—JOS. S. HILL, Cashier National City Bank, Charleston.

## WISCONSIN—ORGANIZED 1892.

*President*—E. M. WING, Cashier Batavian National Bank, La Crosse, Wis.  
*Vice-President*—M. A. GRAETTINGER, Cashier Merchants and Manufacturers Bank, Milwaukee.  
*Secretary*—GEO. D. BARTLETT, Milwaukee.  
*Treasurer*—B. W. DAVIS, Cashier National Bank of Waupun.

## WYOMING—ORGANIZED 1908.

*President*—A. H. MARBLE, Vice-President Stock-growers' National Bank, Cheyenne.  
*Vice-President*—BENJ. F. PERKINS, President State Loan & Trust Co., Sheridan.  
*Treasurer*—J. DE FOREST RICHARDS, Buffalo.  
*Secretary*—HOWARD VAN DEUSEN, Cashier Rock Springs National Bank, Rock Springs.



## STATE CONVENTIONS IN JUNE

### IOWA.

The twenty-third annual convention of the Iowa Bankers' Association at Waterloo, June 10th and 11th, was the largest attended and most successful one ever held by the Association.

President John T. Brooks, in his annual address, stated that we are confronted with many problems of importance, and while these problems affected the banker, they were of great importance to the public at large, and it is for the bankers to take the lead in solving these questions.

The annual report of Secretary Dinwiddie showed an increase of 180 members during the year, bringing the membership now up to 1,350. The reports of the various committees also showed excellent work had been accomplished during the past year.

Stirring addresses, which created great enthusiasm, were delivered by Governor Carroll of Des Moines and George M. Reynolds of Chicago, President of the American Bankers' Association; other speakers were J. A. S. Pollard, of Fort Madison, Congressman J. Adam Bede, of Minnesota, and E. St. Elmo Lewis, of Detroit.

The officers elected for the current year will be found on page 26 of the JOURNAL.

### MINNESOTA.

There was a large attendance at the twentieth annual convention of the Minnesota Bankers' Association at Tonka Bay, Lake Minnetonka, June 14th and 15th.

President Joseph Chapman, Jr., in his annual address, among other subjects, reviewed the condition of Minnesota banks and stated that the banking conditions were sound and the banks well managed; that the Association had developed into one of the strongest and most successful bankers' associations in the country, the membership being now 800.

The report of Secretary Charles R. Frost covered very fully the work of the Association during the past year, showing rapid strides in the advancement of the protective department, the bonding and burglary insurance business, and the group system. The following addresses were delivered: "The Development of the Mining and Transportation of the Iron Ores of the Lake Superior District," William J. Olcott, President The Oliver Iron Mining Company of Duluth; "Bonds and Burglary Insurance," William B. Joyce, President The National Surety Company of New York; "The Tariff," Hon. Frank M. Nye, Congressman from the Fifth Congressional District of Minnesota; "Recent Bank Legislation and Its Results," Hon. L. O. Thorpe, Cashier Kandiyohi County Bank of Willmar; "Postal Savings Banks," George E. Roberts, President Commercial National Bank, of Chicago, Ill.; "Problems of the American Bankers' Association," Col. Fred. E. Farnsworth, Secretary American Bankers' Association of New York; and "The American Bankers' Association Travelers' Cheques," Fred. I. Kent, Vice-President Bankers' Trust Company of New York.

The Convention endorsed Senator Nelson's bill permitting national banks to loan money on real estate; also the travelers' cheque of the American Bankers' Association.

The Association nominated O. S. Haville, President Merchants' National Bank, of St. Cloud, as a member of the Executive Council of the American Bankers' Association, and J. S. Pomeroy, Cashier Security National Bank, of Minneapolis, as Vice-President for Minnesota. Joseph Chapman, Jr., Vice-President of the Northwestern National Bank, Minneapolis, was elected as the Minnesota member of the Nominating Committee.

The entertainment features included a boat trip on Lake Minnetonka and a good time at Big Island Park.

The officers elected for the current year will be found on page 26 of the JOURNAL.

### OHIO.

The nineteenth annual convention of the Ohio Bankers' Association was held at Toledo, June 14th and 15th.

President W. F. Hoffman, who on the death of the President, A. E. Rice, a few months since, assumed the presidency, opened his annual address with a touching tribute to the late Mr. Rice. Mr. Hoffman then congratulated the Association on the increase in membership; the greater interest in the attendance of group meetings; the establishment of permanent headquarters in Columbus and the activity of the Association in legislation in the interests of bankers.

The report of Secretary S. B. Rankin showed that the Association had been very active in the various branches of Association work and that the past year had been the most prosperous in its history; that the membership now was 752—the highest point yet reached. He also paid tribute to the memory of the late President Rice.



Reports of the Committees and Chairmen of the Groups showed progressiveness along their respective lines.

Addresses were made by prominent bankers, the themes of which were on different phases of finance and banking.

Among the resolutions adopted was one on bills-of-lading, endorsing the action taken by the boards of trade and mercantile organizations in not honoring bills-of-lading unless certain safeguards were a part of the instrument; also resolutions opposing most emphatically the Postal Savings Banks bill and the guaranteeing of Bank Deposits.

Secretary Rankin was authorized to secure appropriate headquarters at Chicago for the Ohio delegation who attends the convention of the American Bankers' Association in that city the week of September 13th.

On the adjournment of the convention the party left for a boat-trip to Georgian Bay, taking a route which embraced the beautiful scenery of the Thirty Thousand Islands, Georgian Bay, Sault Ste. Marie, St. Mary's River, and the St. Clair and Detroit Rivers.

The officers elected for the ensuing year will be found on page 27 of the JOURNAL.

#### MASSACHUSETTS.

The Massachusetts Bankers' Association held their fifth annual convention at Falmouth, Tuesday and Wednesday, June 15th and 16th.

The convention was well attended, and the general business of the sessions was soon disposed of.

The annual address of President Rugg; the reports of Secretary Hyde, and the Committees, showed a continuous and satisfactory growth in the membership and an increasing interest in the work.

The social features were of a most entertaining character and thoroughly enjoyed by everyone present.

The officers elected for the current year will be found on page 26 of the JOURNAL.

#### CONNECTICUT.

The tenth annual convention of the Connecticut Bankers' Association was held at Waterbury, June 16th and 17th.

The guests received a hearty welcome from President Bryan of Waterbury and Mayor Thoms.

Addresses were made by E. D. Fisher, Secretary Flatbush Trust Company, of Brooklyn, N. Y., on "Bank Ethics"; Lewis E. Pierson, Vice-President American Bankers' Association and President Irving National Exchange Bank, of New York, on "Work of the American Bankers' Association"; Ex-Congressman Wise, of Virginia, spoke on "Changes of Fifty Years in Our Government and Business Methods." Remarks were also made by Rev. F. T. Buckley and Charles A. Colley.

The report of Secretary Hoyt covered very fully the work of the Association during the past year.

The officers elected for the ensuing year will be found on page 25 of the JOURNAL. In accordance with the Constitution of the Connecticut Bankers' Association, Mr. C. C. Barlow, by virtue of his office as President of the State Association, becomes Vice-President of the American Bankers' Association for Connecticut for the fiscal year of 1909-10.

One of the most enjoyable social functions was the banquet at the Hotel Elton. A very pleasing feature was the presentation of a handsome gold watch to Secretary C. E. Hoyt. President Bryan, in making the presentation, on behalf of the Association, referred to the efficient services rendered the Association by that gentleman. Mr. Hoyt made a suitable and feeling response.

#### WEST VIRGINIA.

The sixteenth annual convention of the West Virginia Bankers' Association was held at Wheeling on Wednesday and Thursday, June 16th and 17th.

President William B. Irvine in his annual address stated that the present efficiency of the banking laws of West Virginia was due to the good work done by the Association. The report of J. S. Hill, Secretary-Treasurer, showed a gratifying increase in membership.

The Association amended its Constitution, establishing the group system and dividing the state into nine groups.

The addresses delivered were of an instructive and interesting character.

The Association accepted an invitation from the Huntington Chamber of Commerce to hold its convention in that city next year.

The officers elected for the current year will be found on page 27 of the JOURNAL, William B. Irvine, of Wheeling, being re-elected President and Joseph S. Hill, of Charleston, Secretary-Treasurer.



#### SOUTH CAROLINA.

The ninth annual convention of the South Carolina Bankers' Association was held at Wrightsville Beach, June 16th, 17th and 18th, the attendance at which was the largest in its history, every town and city in South Carolina practically being represented.

President T. B. Stackhouse, of Columbia, in his annual address reviewed the work of the Association during the year.

Report of Secretary-Treasurer Giles L. Wilson, of Spartanburg, was very gratifying, showing that there were only four banks in the state which were not members of the Association; also that every member on the roll was in good standing. Mr. Wilson advocated very strongly the adoption of the group system, which is quite a potent factor in a large number of State Associations.

The addresses delivered were on general banking topics of the day. The entertainment features were of a most enjoyable nature, including excursions on the ocean, a banquet of the Sea Shore Hotel, a ball at Lumina, etc.

The officers elected for the current year will be found on page 27 of the JOURNAL.

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#### MAINE.

The Annual Convention was held at Rockland Breakwater, June 19th, and was a most enjoyable and profitable meeting. The officers for the current year will be published in the August number of the JOURNAL.

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#### COLORADO.

The Eighth Annual Convention of this Association was held at Denver, June 21st and 22d. The attendance was large, and the addresses delivered were on various banking topics. The reports of the Officers and Committees showed the Association to be in a prosperous condition.

The officers elected for the current year will be published in the August number of the JOURNAL. H. M. Rubey was nominated for Vice-President of the American Bankers' Association for the State of Colorado.

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#### AMERICAN INSTITUTE OF BANKING

(See page 7.)

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#### MARYLAND.

The Fourteenth Annual Convention of the Maryland Bankers' Association was held at the Blue Mountain House, South Mountain, June 22d, 23d and 24th. The reports of the Officers and Committees showed satisfactory progress during the past year in all branches of Association work.

Addresses were delivered by Congressman Vreeland, of New York, on "Currency and Banking Reform." Lucius Teter, of Chicago, on "Postal Savings Banks." Bank Examiner Samuel M. Hann, on "New Methods of Administration in the Office of the Comptroller of the Currency."

The officers elected for the current year will be found on page 26 of the JOURNAL, Secretary Hann and Treasurer Marriott being re-elected.

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#### INDIANA.

The Thirteenth Annual Convention of the Indiana Bankers' Association was held at Fort Wayne, June 23d and 24th—President J. R. Voris presiding. Reports of Secretary Andrew Smith, Treasurer W. F. Huddleston, Chairman of the Executive Council Chas. H. Worden, the various Committees and the group chairmen, covered the work of the Association during the past year, and was an evidence of the Association being in a most prosperous condition along all lines.

Resolutions were adopted endorsing the action taken by mercantile organizations providing for necessary safeguards in connection with bills of lading. That Secretary Smith be requested to send a copy of the resolutions to the members of the Association recommending the members to hereafter only take for cash or direct collection bill of lading drafts where the bills of lading attached conform to the resolutions adopted.

The following addresses were delivered: "A Perfect Bank Currency," by Hon. Robert S. Taylor. "The Law of Protest," by Aquilla Q. Jones, of Indianapolis. "How to Nullify Bank Guarantee Fallacy," by Festus J. Wade, of St. Louis. "Postal Savings Banks," by Col. D. N. Foster, of Ft. Wayne.



The officers elected for the current year will be found on page 26 of the JOURNAL.

Mr. Jonce Monahan, President Citizens' State Bank, Orleans, was nominated for membership on the Executive Council of the American Bankers' Association. Col. J. L. McCulloch, President Marion National Bank, for Vice-President for Indiana. A. G. Lupton, President Blackfoot County Bank, Hartford City, for member of the Nominating Committee.

#### SOUTH DAKOTA.

The Eighteenth Annual Convention of the South Dakota Bankers' Association was held at Pierre, June 23d and 24th. Something over two hundred were registered, and a most excellent entertainment was provided by the local bankers of Pierre.

The report of Secretary Platt showed the Association to be in very satisfactory shape in every way—an increase of seventy members for the year and advancement in the protective features; the operation of the Group System extended and perfected.

The officers elected for the ensuing year will be found on page 27 of the JOURNAL.

B. A. Cummins, Vice-President First National Bank, Pierre, was nominated a member of the Executive Council of the American Bankers' Association for the next term; John R. Hughes, President Potter County Bank, Gettysburg, Vice-President for the State, and H. L. Sheldon, Cashier Citizens' National Bank, Watertown, as a member of the Nominating Committee.

#### PACIFIC NORTHWEST.

The Tri-State Convention, embodying the States of Washington, Oregon and Idaho, was held in the City of Seattle, June 24th, 25th and 26th, and was largely attended by bankers from these various states. This meeting was an innovation, embodying as it did several states in contiguous territory whose interests are identical, and will no doubt in the future be emulated by other states in the Union. Three sessions were held jointly, at which general business was transacted, with addresses of welcome made by the Hon. M. E. Hay, Governor of Washington; Hon. J. F. Miller, Mayor of Seattle, and M. A. Arnold, on behalf of the Associated Banks of Seattle. Responses to the addresses of welcome were made by W. L. Adams, President Washington Bankers' Association; Monte B. Gwinn, President Oregon Bankers' Association; F. F. Johnson, President Idaho Bankers' Association.

Addresses were made as follows:

J. F. Allen, of J. F. Allen & Company, Bankers, New York City, "The Pacific Northwest from the Eastern Standpoint."

Fred. E. Farnsworth, Secretary American Bankers' Association, "The Work of the American Bankers' Association."

Col. Robert J. Lowry, Atlanta, Ga., Ex-President American Bankers' Association, "Our Country from a Banker's Viewpoint."

Geo. E. Allen, New York City, Educational Director American Institute of Banking, "Banker Making."

The various states held separate sessions to transact business pertaining directly to their own states. The officers elected for the current year will be found under the respective states on pages 25 and 27 of the JOURNAL.

The round of entertainment, which was prepared by the Seattle bankers, could not be excelled in any city, and the hospitality extended was spontaneous and genuine. The entertainment included a reception and ball, a reception to the ladies, a theater party and an afternoon and evening at the Alaska-Yukon-Pacific Exposition grounds, with banquets at the Washington and New York State buildings. Those who were so fortunate as to attend this Tri-State Convention from the East were overwhelmed with the greatness of this Western country, its wonderful resources and the indomitable energy and enterprise displayed by the City of Seattle. The Exposition was also a surprise, complete in every detail and in the assembling of the buildings, the beauty of the architecture and the artistic arrangement of the grounds, has never been excelled in this country.

#### WISCONSIN.

The Fifteenth Annual Convention of the Wisconsin Bankers' Association was held on board the steamer *Virginia* en route from Milwaukee to Mackinac Island and return. Both the trip and the convention was one of the most enjoyable ever held by this state.

President E. C. Zimmermann, of Wausau, in delivering his annual address, congratulated the Association upon its rapid growth and activity.



Retiring Secretary M. A. Graettinger, who, on account of his time being fully taken up at the bank, did not seek re-election as Secretary, and was elected Vice-President, recommended in his annual report that the Association elect a Secretary who shall devote his entire time to the affairs of the Association and that the position be a salaried one. His report also showed an increase in the membership of 52 during the past year.

The following addresses were delivered: "Aids to the Solution of our Financial Problem," by Arthur Reynolds, President Des Moines (Iowa) National Bank. "The Work and Purpose of the Interstate Protective Association," by Chas. R. Frost, Secretary of the Minnesota Bankers' Association. "Bank Advertising from the Standpoint of Custom," by E. St. Elmo Lewis, of Detroit.

The officers elected for the ensuing year will be found on page 27 of the JOURNAL.

## PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS

WASHINGTON BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY

TACOMA, WASH., June 12, 1909.

### WARNING.

A man going by the name of Geo. Cook has stolen a number of checks of the Snoqualmie Lumber & Shingle Co., Nos. 1417 to 1431 inclusive; T. H. Williams & Co., Nos. 5279 to 5286 inclusive. Four of the latter-named firm's checks have been cashed by saloon-keepers for \$62.60 each, two at Everett and two at Monroe. The checks are all drawn on the First National Bank of Snohomish.

The man is described as follows: Age about 30 years; height about 5 feet 8 inches; weight about 170 pounds; build medium; style of beard, smooth shaven; dark hair; faint scar on upper lip; thumb on left hand gone, leaving a stub about two inches long.

The above checks have printed signatures and are signed by W. Wingard when regularly drawn, and this name has been forged on the checks so far cashed.

MISSOURI BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

SEDALIA, Mo., June 19, 1909.

### \$100 REWARD!

A man giving the name of Frank Pearce is charged with defrauding a member of this Association in St. Louis by obtaining money on a bogus telegram.

Pearce's method of operating is to have a message sent to the bank, purporting to be a telegram containing his father's code word as a means of identification. In the St. Louis case this code word was given as "beanpod," and the "telegram" does not seem to have come through the telegraph office, although it bore every evidence of being genuine and was delivered by a regularly uniformed messenger of the Western Union.

It is reported that a day or two after the incident referred to, a person made an unsuccessful attempt to secure money by similar means from a bank at Kirksville, Mo.

We have good reason to believe that this was the same person. It seems, however, that his suspicions were aroused, and he immediately left Kirksville and presumably went to Macon, Mo.

The bank gives us the following description: Name, Frank Pearce; age, 28 or 30 years; weight, 150 to 160 pounds; complexion, light; color of hair, rather light; height, about 5 feet 9 inches; build, slender; color of eyes, blue; style of beard, smooth shaven. Remarks: Was a clever appearing fellow. Wore straw hat and blue coat.

For the apprehension, conviction and imprisonment of Pearce on the crime charged, the Missouri Bankers' Association offers a reward of \$100.00, offer of reward to remain in force one year from date of this notice and to be paid under the rules of said Association.

Information concerning his whereabouts should be wired to this office and the Chief of Police at St. Louis.



\$50.00 REWARD!

The Association is desirous of apprehending a man giving the name of Clyde A. Baxter, who is charged with defrauding a member at Louisiana, Mo., by means of forged checks.

Baxter has operated at Elsberry, Clarksville, Hannibal and Frankford, and at these places issued a number of checks on the banks at Louisiana, only two of which, however, were honored. When last heard of, this person was at Hannibal, and is supposed to have gone from there to St. Louis.

The bank gives us the following description: Name, Clyde A. Baxter; residence, formerly Louisiana. Supposed to be in St. Louis at present; nativity, American; occupation, laborer; age, 36 years; weight, 175 pounds; complexion, red; color of hair, black; height, 6 feet; build, stout; color of eyes, brown; style of beard, smooth shaven; color of beard, dark. Remarks: Has gold upper front tooth.

For the apprehension, conviction and imprisonment of Baxter on the crime charged the Missouri Bankers' Association offers a reward of \$50.00, offer of reward to remain in force one year from date of this notice and to be paid under the rules of said Association.

Information concerning his whereabouts should be promptly wired to this office and the Sheriff of Pike County, Bowling Green, Mo.

OHIO BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

COLUMBUS, OHIO, June 28, 1909.

WARNING.

Two members of the Association in central Ohio have recently been victimized by what is evidently an organization of swindlers. In one case a man representing himself to be Geo. S. Taylor deposited in the bank \$200.00 cash on June 4th; on June 8th he gave a check to W. Browers for \$40.00 and O.K.'d the endorsement. The bank cashed this check for \$40.00, and on June 11th cashed another for \$135.00 for Taylor himself. On June 12th Taylor deposited in the bank a certified check, No. 217, drawn on the Queens County Trust Company, Long Island City, N. Y., and signed Geo. W. Green. This check was for \$1,150.00. It was certified by Frank Squire, Treasurer of the Queens County Trust Company. The check was made payable to Geo. S. Taylor. Taylor, as stated, deposited this check. Then on the same day he checked out to himself \$450.00. The certified check was returned with the advice that there was no such an account in the bank, and that the certification was a forgery. Said Taylor was about 5 feet 5 inches high, dark hair, smooth face, 130 to 140 pounds in weight, and about thirty-five years old.

In the second case a man giving the name of C. W. Turner opened an account on June 7th for \$200.00, and on June 8th he gave a check to H. E. Moore for \$40.00 with his O.K., and the bank cashed it for Moore. On the 11th Turner checked out \$135.00 to himself. On June 12th he deposited a certified check for \$1,250.00 drawn on the Queens County Trust Company, Long Island City, N. Y., and drew out \$400.00 in cash. The check was certified exactly the same as the \$1,150.00 check passed on the other bank. In this case, however, the check was signed E. G. Anderson, and made payable to C. W. Turner. This certification was a forgery also. Turner is described as being 5 feet 8 or 9 inches high, weight about 200 pounds, clean shaven face, and age about forty-five years.

From information received we believe that this is the same gang which has been working in one or two of the Western states before they came to Ohio.

Our members are warned to be on the look-out and to advise this office immediately upon receipt of any information that they think will be of value to us in landing these men.

NEBRASKA BANKERS' ASSOCIATION,  
OFFICE OF THE SECRETARY.

OMAHA, June, 30, 1909.

WARNING.

A man giving the name of G. E. Nash is drawing checks on the Exchange Bank of Menlo, Iowa, without having any money there. In the case reported he claimed to have about \$450.00 at Menlo, and drew a check for it, but wanted \$10.00 or \$15.00 advanced, which was refused. He later worked a customer of the bank for \$25.00.



JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

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He is 5 feet 10 inches tall; weighs 150 pounds; fairly well-dressed in brown suit and brown hat; smooth face; sandy complexion; looks you in the eye while conversing; is about 28 years old.

If he appears, wire or 'phone this office at our expense.

Warn your customers.

\$100 REWARD.

A member of this Association cashed a bogus check for a man giving the name of L. L. Stevens, traveling as a printer. Check drawn on the Illinois National Bank of Springfield, Ill., and purporting to be signed by Leo B. Cormally.

This Association will pay a reward of \$100.00 for the arrest and conviction of Stevens. Reward to remain in force one year from date and to be paid under the rules of the Association.

Stevens is described as follows: Age, about 37; height, 5 feet 7 inches; complexion, light; hair, getting gray, slightly bald; weight, about 150 pounds; inveterate cigarette smoker; dress, flashy—light-colored fancy vests.

Any information should be 'phoned or wired to this office at our expense.



## PROTECTIVE COMMITTEE MONTHLY REPORT

NEW YORK, July 1, 1909.

Statistics from September 1, 1908, to June 30, 1909, of the work of the Pinkertons for the Association:

## RECORD OF CRIMINALS ARRESTED, CONVICTED, SENTENCED, AWAITING TRIAL, BANK BURGLARIES, ETC.

**BURGLARS—SPECIAL:** Cases not disposed of arrested prior to September 1st, 2; arrested since September 1st, 9; convicted and sentenced, 3; specific terms, 3; years, 27; released, 3; escaped, 2; killed, 1; awaiting trial, 2.

**BURGLARS—GENERAL:** Cases not disposed of arrested prior to September 1st, 4; arrested since September 1st, 34; convicted and sentenced, 18; specific terms, 15; indeterminate terms, 3; years, 119; released, 11; escaped, 1; awaiting trial, 8.

**FORGERS—SPECIAL:** Cases not disposed of arrested prior to September 1st, 10; arrested since September 1st, 47; convicted and sentenced, 28; specific terms, 23; indeterminate terms, 5; years, 69-11; released, 8; escaped, 1; killed, 1; awaiting trial, 19.

**FORGERS—GENERAL:** Cases not disposed of arrested prior to September 1st, 19; arrested since September 1st, 34; convicted and sentenced, 34; specific terms, 30; indeterminate terms, 4; years, 104-4; released, 11; escaped, 3; awaiting trial, 5.

**HOLD-UPS—SPECIAL:** Cases not disposed of arrested prior to September 1st, 4; arrested since September 1st, 3; convicted and sentenced, 4; specific terms, 3; indeterminate terms, 1; years, 17; awaiting trial, 3.

**HOLD-UPS—GENERAL:** Cases not disposed of arrested prior to September 1st, 5; arrested since September 1st, 1; convicted and sentenced, 2; indeterminate terms, 2; released, 2; awaiting trial, 2.

**SNEAK THIEVES—GENERAL:** Cases not disposed of arrested prior to September 1st, 2; convicted and sentenced, 2; specific terms, 2; years, 4-6.

**ROBBERS—SPECIAL:** Arrested since September 1st, 1; awaiting trial, 1.

Total cases not disposed of arrested prior to September 1st.....	46	
Arrested since September 1st.....	129	
		175
Sentenced .....	91	
Released, escaped and killed.....	44	135
		—
Awaiting trial.....		40

## BURGLARS—SPECIAL INVESTIGATIONS.

For the burglary of the George Warren Co. Bank (M.), Warrens, Wis., November 3, 1908; loss, \$2,181.59.

June 20, 1909, James Radley and James Clermont, who were awaiting trial for the above burglary, escaped from the Monroe County, Wis., Jail.

June 28, 1909, James McCarey, who was associated with Radley and Clermont in this burglary, was arrested at Wausaukee, Wis., and placed in the Monroe County Jail for trial.

We are endeavoring to rearrest Radley and Clermont.

For the burglary of the Bank of Suffolk (M.), Suffolk, Va., April 19, 1909; Loss, \$1,478.54.

June 5, 1909, at Portsmouth, Va., George A. Wilkins, alias "Dynamite" Wilkins, was arrested on suspicion of being implicated in the above burglary. Prints showing plans of the bank and intervening buildings were found in his possession. June 11 he was given a hearing and held for the Circuit Court, which will convene July 12.

*Awaiting Trial:* J. McCarey, Sparta, Wis.; G. A. Wilkins, Suffolk, Va.



BURGLARS—GENERAL INVESTIGATIONS.

For the burglary of the Tobacco Growers' Deposit Bank (N. M.), Crittenden, Ky., January 22, 1907; loss, \$500.00.

June 11, 1909, James Johnson, alias "Toronto Jimmy," who was awaiting trial for the above burglary at Williamstown, Ky., broke jail. He has not been recaptured.

*Awaiting Trial:* A. G. Beatty, Los Angeles, Cal.; J. Callahan, Milan, Kans.; H. Joyce, Sioux City, Iowa; E. Madigan, Milan, Kans.; C. S. Martin, Los Angeles, Cal.; J. Martman, Sioux City, Iowa; E. W. Sundin, Los Angeles, Cal.; G. Yohns, Los Angeles, Cal.

FORGERS—SPECIAL INVESTIGATIONS.

For defrauding the Peninsula Bank (M.), Williamsburg, Va., March 19, 1909, of \$25.00.

June 21, 1909, at Newport News, Va., J. J. Brewer, alias Charles H. Berry, was convicted and sentenced to four years in the Virginia State Prison.

For defrauding the Northern Trust Co. (M.), Chicago, Ill., April 27, 1909, of \$211.00.

June 20, 1909, at Shelley, Pa., James D. McCain was arrested for the above crime and on June 27 returned to Chicago, where he awaits trial.

For defrauding the Market National Bank (M.), Cincinnati, Ohio, July 25, 1903, of \$400.00.

June 12, 1909, Edward Benton pleaded guilty to the above crime and was sentenced to one year in the Columbus, Ohio, Penitentiary.

For defrauding the Chase National Bank (M.), New York, N. Y., May 6, 1909, of \$600.00.

June 8, 1909, H. L. Logan was arrested at Latonia, Ky., and returned to New York, where, on June 21, 1909, after pleading guilty, he was sentenced to the Juvenile Asylum at Dobbs Ferry, N. Y., for an indefinite period.

For defrauding the First State Bank (M.), Larned, Kans., June 1, 1905, of \$150.00.

June 19, 1909, on his release from the Yuma, Ariz., Penitentiary, Louis A. Marks was rearrested and taken to Larned, Kans., for the above crime and now awaits trial.

For defrauding the Central Bank & Trust Co. (M.), Houston, Tex., November 14, 1908, of \$500.00.

June 19, 1909, Bernie Lawson failed to put in appearance at his hearing, and his bond was declared forfeited.

For defrauding the Bank of Severance (M.), Severance, Kans., January 9, 1902, of \$100.00.

June 26, 1909, C. A. Farris plead guilty at St. Joseph, Mo., to the charge of forgery, and was sentenced to two years in the Missouri State Prison.

For defrauding the National Bank of Commerce (M.), Seattle, Wash., November 11, 1908, of \$225.00.

June 13, 1909, R. R. Parker, who was awaiting trial at Fort Worth, Tex., for another swindle, died in the city jail.

For defrauding the National Bank of Long Beach (M.), Long Beach, Cal., June 1, 1909, of \$55.00.

June 10, 1909, Fred During was arrested at Redondo, Cal., and now awaits trial.

For defrauding the People's Bank (M.), East Orange, N. J., during January, 1909, of \$30,000.00.

June 23, 1909, at Newark, N. J., E. B. Towne pleaded guilty to the above charge, and was sentenced to three years in the State Prison.

For being concerned in various hall letter-box thefts and forgeries in the Eastern states during the past year.

May 8, 1909, at New York City, James Ford, Edward Phelan and Thomas Slattery were arrested.

May 14, owing to insufficient evidence upon which to convict, Phelan was released.

June 9, 1909, at Boston, Mass., three men giving their names as James Woollsley, Edward C. Dano and William J. Gordon were arrested and their photographs sent to the New York office, where they were identified as James Devine, William J. Gordon and Edward C. Dano, alias "The Wap," all members of the Ford band of forgers.

The arrest of Ford practically broke up this band of forgers in New York City, and Devine, Boland and Dano went to Boston to commit forgeries in that city and vicinity.



June 24, 1909, James Ford plead guilty to a charge of forgery in the second degree and was sentenced on June 28th to six years in State Prison. The same day Thomas Slattery plead guilty, but was released on a suspended sentence.

Boland, Devine and Dano await trial in Boston.

*Awaiting Trial:* C. Archer, Waverly, Va.; W. E. Boland, Boston, Mass.; S. Bruner, Kincaid, Kans.; E. C. Dano, Boston, Mass.; J. Davis, Heppner, Ore.; J. Devine, Boston, Mass.; F. Daring, Los Angeles, Cal.; M. D. Fortner, Paris, France; J. Freeman, Larchmont, N. Y.; A. Gates, Larchmont, N. Y.; T. M. Hill, Kansas City, Mo.; W. R. Hughes, Whiting, Ind.; J. D. McCain, Chicago, Ill.; L. A. Marks, Larned, Kans.; E. Perkins, Chicago, Ill.; A. M. Potter, Detroit, Mich.; A. F. Rickey, Seaton, Ill.; G. A. Stewart, New York, N. Y.; O. Wirsén, Chicago, Ill.

#### FORGERS—GENERAL INVESTIGATIONS.

For defrauding various parties in New York City with checks drawn on the Hanover National Bank (M.), New York, during March, 1909.

June 2, 1909, Dwight Vogan plead guilty and was released on a suspended sentence.

*Awaiting Trial:* E. G. Cefrey, Boston, Mass.; A. C. Cook, Boston, Mass.; J. L. Orebaugh, Toledo, Ohio; N. D. Parker, Toledo, Ohio; T. H. Woodman, Boston, Mass.

#### HOLD-UP ROBBERS—SPECIAL INVESTIGATIONS.

*Awaiting Trial:* E. Elmendorph, Paducah, Ky.; S. Evitts, Paducah, Ky.; W. Husbands, Paducah, Ky.

#### HOLD-UP ROBBERS—GENERAL INVESTIGATIONS.

*Awaiting Trial:* J. Leya, Merrill, Wis.; M. Thornberry, Eufaula, Okla.

#### ROBBERS—SPECIAL INVESTIGATION.

*Awaiting Trial:* H. B. Elliott, Eufaula, Okla.

	Members.	Non-Members.
Burglaries .....	8	50
Attempted burglaries .....	9	29
	<hr/> 17	<hr/> 79
Loss by burglaries.....	\$21,522.01	\$129,474.44
Hold-up robberies .....	3	0
Attempted hold-up robberies .....	2	3
	<hr/> 5	<hr/> 3
Loss by hold-up robberies.....	\$15,537.15	

### Features in Protective Work

Under date of June 24th, A. G. Vautrinot, Cashier of the Egg Harbor Commercial Bank, Egg Harbor City, N. J., wrote the Secretary of the American Bankers' Association as follows:

"On May 29th last a money order for \$46.75 of the Southern Express Company was passed on us by a young man, claiming he was employed on a farm in this vicinity, and that he had received the order from his father at New Orleans in order that he might return home. The order proved to be a forgery. Since that time he has passed similar orders at three different New Jersey banks, and it appears that he is still on the path passing these orders without being arrested.

"We are enclosing herein a copy of the warning that the Southern Express Co. is sending out to its agents, but this does not reach the banker. We think it would be very advisable to have the warning to appear in the next issue of the JOURNAL.

"He gave his name when here as Frank Adams, and we understand he passed an order on the Perth Amboy Savings Institution under the name of Robert Allen, and at another bank as Geo. N. Moore. The description as given of the person is correct."



COPY OF NOTICE.

SOUTHERN EXPRESS COMPANY.  
MONEY ORDER DEPARTMENT.

CHATTANOOGA, TENN., June 21, 1909.

Southern Express Company blank money orders P-212632 to 212699, inclusive, have been stolen from Oak Hill, Fla.

The man who stole them is operating in New Jersey towns. He has passed as Frank Adams, Robert Allen and Geo. N. Moore.

DESCRIPTION OF THE THIEF.

Age, about 24 years; height, about 5 feet 10 inches; rather thin in build, light brown hair, skin on face somewhat tanned; appearance, awkward and clumsy. When last seen had not shaved in some time, was poorly dressed, and represented himself to be a farm hand.

Agents should advise all banks and merchants so far as possible that these money orders have been stolen, so that they will be on the lookout for the thief.

Should any money orders included within the above numbers be presented for payment at your office, take them up, declining payment, and endeavor to ascertain from the person presenting the particulars as to how the order came in his possession.

Notify the Superintendent of your Division, and the undersigned, by wire at once.

R. L. WASHINGTON,  
*Supt. Money Order Department.*

MORTUARY RECORD OF MEMBERS FOR JUNE, 1909

The following list is compiled from the financial journals. If, in future, our members will advise the JOURNAL of the decease of any officer or director of their Institution, giving name, title, age and date of death, the same will be published.  
ANDREWS, EDWARD, Direc. National Bank of Delaware, Wilmington, Del.

BABCOCK, JNO. H., Pres't Bank of Moberly, Moberly, Mo.  
BANKS, N. O., Vice-Pres't Bank of Grantville, Grantville, Ga.  
BAUER, GEO. F., Vice-Pres. Merchants' Bank and Trust Co., Jackson, Miss.  
BLACK, ELMER E., Partner of N. W. Harris & Co., New York, N. Y.  
BREED, JOSEPH B., Vice-Pres. Lynn Institution of Savings, Lynn, Mass.  
BROWN, CHAS. E., Pres't First National Bank, Sibley, Ia.  
BROWN, JOHN CROSBY, senior partner Brown Bros. & Co., New York, N. Y.  
BURROUGHS, J. L., Vice-Pres. Merchants' and Farmers' Bank, Louisville, Miss.  
COOK, JOSEPH A., Direc. Citizens' Bank, Fayette City, Pa.  
DUNNING, JOHN E., Direc. Silk City Safe Deposit and Trust Co., Paterson, N. J.  
FORBES, CHAS. S., Vice-Pres. Portland Savings Bank, Portland, Me.  
FORDYCE, JOHN, Pres't Ashland County Bank, Butternut, Wis.  
FULLER, FRED. P., Direc. Merchants' Nat'l Bank, Trustee Salem Five Cent Sav'gs Bank, Salem, Mass.  
HOITT, ALFRED D., Direc. First Nat'l Bank, Arlington, Mass.  
McNARY, JOHN C., Pres't Citizens' Trust Co., Canonsburg, Pa.  
MELBY, JOHN O., Pres't John O. Melby & Co. Bank, Whitehall, Wis.  
MORTON, CHAS. L., Pres't State Bank of Fredonia, Fredonia, Kan.  
OUTCALT, R. C., Cashier Railway Exchange Bank, Chicago, Ill.  
PORTER, JOSEPH, Director First National Bank; Trustee Connecticut Savings Bank, New Haven, Conn.  
SMITH, STANLEY G., Ass't Treas. and Trustee Woonsocket Institution for Savings, Woonsocket, R. I.  
SMITH, WM. E., Pres't Citizens' National Bank, Alton, Ill.  
SOTH, CHARLES, Pres't Freeborn County State Bank, Albert Lea, Minn.  
STRINGFELLOW, R. L., Pres't Amarillo National Bank, Amarillo, Texas.  
TEMPLE, ARTHUR S., Direc. Merchants' Nat'l Bank, Salem, Mass.  
VAN DER EMDE REINHOLD, Pres't Yorkville Bank, New York City.  
WATT, JOHN H., Cashier Bank of North America, Philadelphia, Pa.  
WATSON, MARK WALTON, Pres't Exchange National Bank, Pittsburg, Pa.  
WILSON, SAMUEL H., Pres't Dime Savings Bank, Charleston, S. C.  
WITTE, G. H., Vice-Pres. First National Bank, Poteau, Okla.  
WORKMAN, GEO. D., Pres. Torrington National Bank, Torrington, Conn.



